

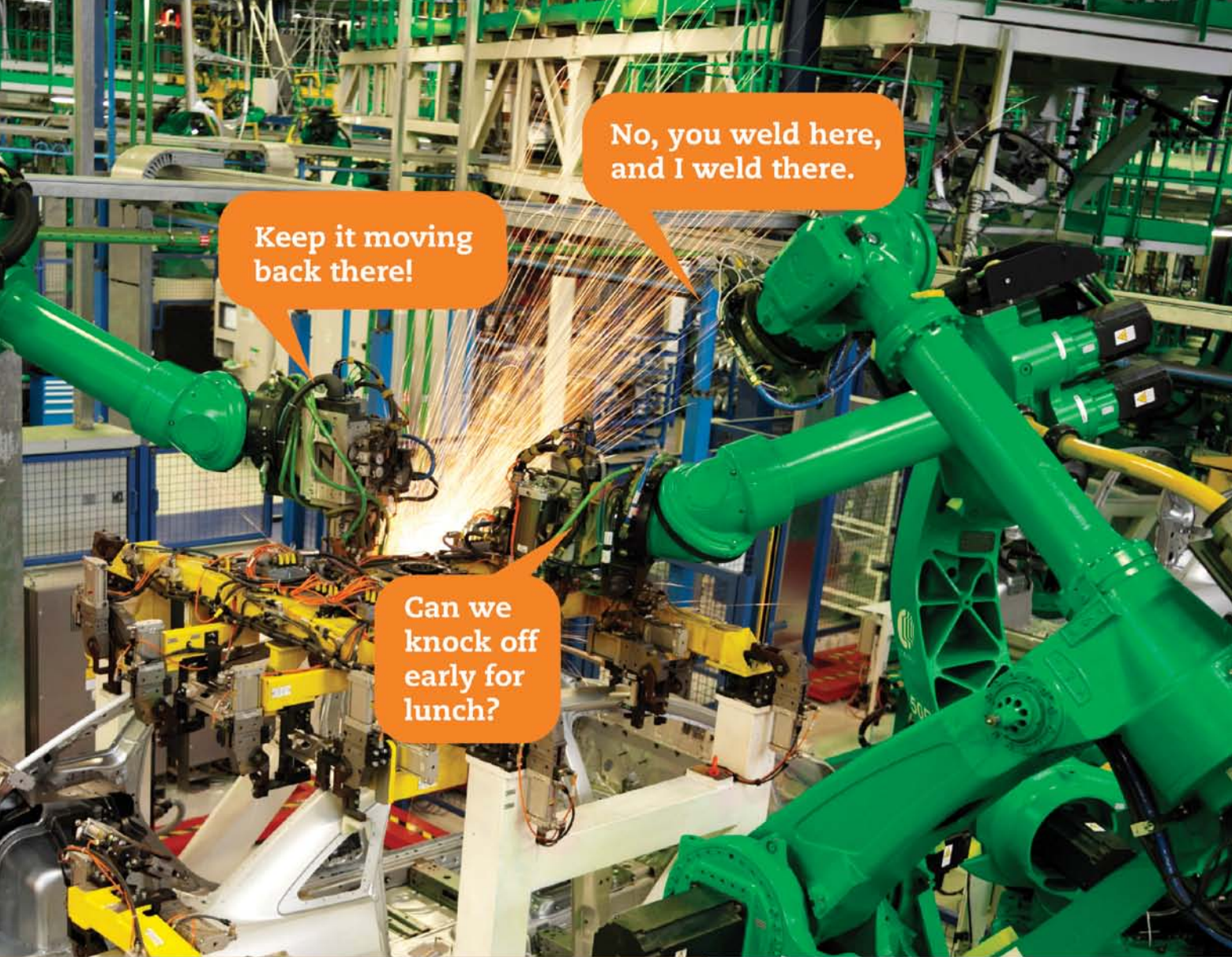
ALABAMA

ECONOMIC DEVELOPMENT GUIDE

A comprehensive resource for site selection



- Development Incentives
- Prime Industrial Sites
- Emerging Industry Clusters
- Workforce Solutions
- Relocation Support
- Development Agencies
- Trade Expeditors
- Foreign Trade Zones
- Regional Economies
- Technology Centers
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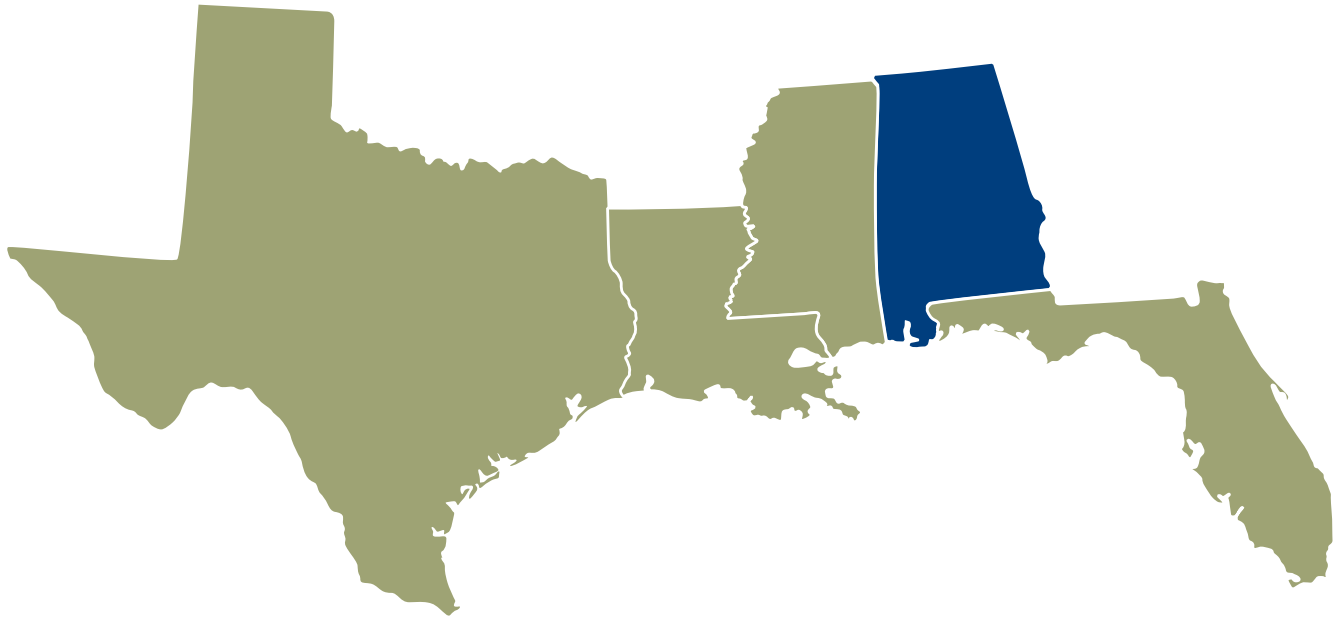
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ON THE COVER: Clockwise from top left: The Judge course at the Robert Trent Jones golf complex in Prattville; The Galleria mall, in Hoover; Mt. Laurel, a master-planned community in Shelby County; Tuskegee University's Carnegie Hall; Hyundai Motor Manufacturing Alabama, in Hope Hull; United Launch Alliance, in Decatur; Marriott Shoals Hotel & Spa, in Florence; The Women's Center at Southeast Alabama Medical Center, in Dothan.

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Dear Reader,



I would like to take this opportunity to welcome you to Alabama. Whether you are looking at our state for the first time or have already decided to make Alabama your new home, please allow me the opportunity to highlight some of the advantages that Alabama has to offer.

My wife, Dianne, and I treasure and hold dear the many blessings that Alabama has to offer. In Alabama we value our families, our freedoms, and our way of life. The tradition of Southern hospitality is evident from the smallest

town to our largest cities. Our state possesses an abundance of natural beauty. From the mountains of north Alabama to the pristine beaches of the Gulf Coast, a multitude of opportunities to see and experience the wonders of Alabama await you. This outstanding quality of life has attracted many new businesses and residents to our state in recent years.

I am sure that you will also find Alabama to be a great place to live and work. As a leader in the nation in economic development, Alabama encourages continued economic development in the business community. With continued economic development Alabama is able to offer a better quality of life for thousands of Alabamians. Our economy has also allowed us to put more money into the classroom and public libraries to continue to build the world-class education system our children deserve.

As you review this magazine, I am certain that you will agree that Alabama is blessed with wonderful people, its greatest treasure. I hope you will visit us and experience our Southern hospitality firsthand.

Sincerely,

Governor Robert Bentley

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Statewide Momentum

Economic developers across the state have been busy with trade missions, regional alliances and site investments that have put Alabama in the forefront of the emerging economic recovery. A backlog of mammoth projects under construction leads the momentum.

Southeast Alabama Medical Center, Dothan



Honda Manufacturing of Alabama, Lincoln



Austal USA, Mobile

BY NEDRA BLOOM

If last year Alabama's economy was in the final countdown before blasting out of the doldrums, in 2011 you can see the sparks beneath the booster rocket as the economy ignites.

Before the recession, Alabama was booming – enjoying an economy that boasted three new auto assembly plants in 15 years, a new rail car plant, massive new twin steel mills, a major contender for an enormous Air Force tanker contract—all on top of long-term players like ship-

building, aerospace, biotechnology and staples like agriculture, banking and insurance.

All the glittering economic stars flickered ominously during the recession. Automakers trimmed shifts and made fewer cars. Major new plants slowed their construction schedules and delayed hiring. Unemployment jumped from an enviable 3 percent in 2007 to nearly 12 percent at the close of 2009.

But as 2011 opens, signs of recovery are

everywhere. Unemployment has dropped back under 10 percent and continues to drift downward each month. Layoffs and closings were down 60 percent from the previous year. A massive oil spill in the Gulf disrupted economic mainstays like tourism and the seafood industry, but even as the spill cleanup continues, other economic news looks bright.

At the start of 2010, economic analysts at the University of Alabama predicted a 2.2 percent gain in the state's GDP but

Alabama Benchmarks in 2010

Big economic news came in several formats this past year: big wins, big saves, diversification and little victories.

Big wins

- **Shipbuilder Austal USA** (Mobile), which added 800 workers in 2010, won a \$240 million military contract to build two additional Joint High Speed Vessels and had high hopes of winning a \$5 billion Navy contract to build 10 more Littoral Combat Ships.
- **Hyundai Heavy Industries** (Montgomery) announced a \$90 million plant to employ 500 workers making power transformers, beginning in 2012.
- The Governor turned out in September when **Mercedes-Benz** (Vance) announced plans hiring 500 people at least temporarily at its new \$150 million body shop, part of a \$290 expansion.
- **GE Aviation** announced a \$45 million jet engine coatings plant, expected to employ 300 or more workers, is coming to Alabama though the specific site has yet to be announced. Gov. Riley says this project is one the state “aggressively pursued.”
- **Raytheon Missile Systems** announced a \$75 million missile plant for Huntsville. Some 300 employees will perform final assembly and testing for sea-based missile interceptors.
- Fort Payne and DeKalb County scored a long awaited economic development coup in May, landing Canadian auto supplier **A.P. Plasman Corp.**, which announced it will build a \$14 million plant employing 200 workers, growing to 350 over the next few years. Plasman is a Tier 1 supplier for Nissan, Toyota, Honda and General Motors, making plastic-injection molding, painting and assembly of exteriors.
- **Lakeside Steel Inc.** is opening a \$21 million steel pipe mill in Thomasville, Clarke County, expected to open in November 2011 and employ 120 people.
- Auburn will gain 100 jobs when **Viper Motorcycle Co.** opens a new plant to make the company's motorcycles, which carry an average price tag of \$35,000.
- **Vector Aerospace** is bringing 100 new jobs to Andalusia.
- Auto parts supplier **Brose Tuscaloosa Inc.** announced a \$26 million expansion that will add 100 employees.
- **Regent Aerospace** is building an maintenance, repair and overhaul facility for aircraft interiors adja-

cent to Mobile's ST Mobile Aerospace Engineering. Due to open in early 2012, the facility will employ about 90 people, with plans to double the workforce.

- **American Apparel**, based in Selma, will bring on 60 new employees in Opp to help fulfill a \$50 million contract making uniforms for the U.S. military.

Big saves

- Georgia Pacific LLC announced in June that it will buy the **Alabama River Pulp** and **Alabama Pine Pulp** mills in Monroe County, a complex that is one of largest pulp producers in North America. The purchase saves 600 jobs.
- **Bush Hog** plans to keep its 300 Selma workers on the job, after state and local officials agreed to spend \$550,000 to pay for a rail spur and street improvements.

Diversified projects

- **Southern Research Institute** in Birmingham is planning a \$2 million expansion of facilities used for basic and contract research, including drug development and trials and others fields such as engineering and environmental issues.
- Also in Birmingham, **UAB** opened a new one-of-a-kind lab in September that can handle metals, plastics and composite materials. UAB officials hope it will attract companies that need ready access to the specialized research capabilities.
- On the military front, **Northrop Grumman** won a \$68 million contract to provide personnel to operate counter-rocket, artillery and mortar systems at bases in Afghanistan.

Smaller, significant wins

- Cullman sleepwear manufacturer **Performance Health Care Products** will add about 40 jobs
- **Custom Collars**, manufacturer of pet supplies in Opp, got a \$150,000 grant from the state. It will add only 15 jobs, but that more than triples the workforce. •

revised their estimate upward to 2.5 percent at midyear.

The state won a Silver Shovel Award from *Area Development* magazine, recognizing the number of projects started in 2009 that carry significant investment and high potential employment.

And when four Alabama cities earned top rankings in a survey by *Moody's Economy.com* — Huntsville first, Auburn/Opelika, second, Columbus/Phenix City, seventh and Mobile twelfth out of 378 cities — *The Economist* said the four all offer the state's prime advantages: low taxes, low utility costs, good

workforce training and aggressive economic development.

Here are some of the year's highlights:

ThyssenKrupp carbon steel and stainless units began production near Mobile. The carbon unit had 1,250 workers and the stainless unit more than 300 workers

ECONOMIC OVERVIEW

on the job. The twin mills represent a \$5 billion investment.

The state's port in Mobile— which elbowed its way past Los Angeles into the Number Nine spot among U.S. ports— opened a new turning basin allowing ships over 900 feet to access the port. It's helpful now, port officials say, and will be even more so when the Panama Canal expansion is complete in 2014.

Australia-based shipbuilder Austal USA, which added 800 workers in 2010, was holding its breath awaiting word on a \$5 billion Navy contract to build 10 more Littoral Combat Ships like the one they built and launched in 2008. Good news in the meantime—a \$204 million contract for two more Joint High Speed Vessels for the US military.

Breath-holding across town, too, as EADS awaits a decision on a \$35 billion Air Force tanker contract. Boeing, EADS' major rival for the contract, plays an enormous role in north Alabama's aerospace economy. But if Boeing wins the Air Force contract Alabama will not host any of the work, while if European contender EADS wins, the new planes will be built in Mobile, already home to an EADS engineering office. A decision on that contract was expected in November, but it had already slipped several times over two years since it was awarded to EADS (then partnered with Northrop Grumman) and rescinded over protests from Boeing.

Many mark the decision by Mercedes-Benz to locate an auto plant here in 1993 as the beginning of the state's decade and a half boom — so happy auto news is good news statewide.

In 2010, Mercedes-Benz announced that it has become the state's largest exporter, selling more than \$1 billion in products throughout the world.

Hyundai USA, which has built Sonata and Santa Fe models in its Montgomery plant, announced that it has sold 89,249 Sonatas in the first half of 2010, 48 percent more than the same time period in 2009, and will move Santa Fe production to the West Point, GA, Kia plant, thereby freeing the Montgomery facility to make even more Sonatas.

Just east in Lincoln, Honda Manufacturing of Alabama LLC celebrated its 2 millionth vehicle. The plant makes Odyssey minivans, Pilot SUVs and Ridgeline pickup trucks.

At the north end of the state, BRAC impacts are eagerly anticipated. While most regions dread the loss of payroll when



hometown bases are closed, Alabama has recently profited by closings elsewhere. Studies at the University of Alabama's Center for Business and Economic Research anticipate a major GDP boost of \$375 million in Huntsville, along with increases in jobs and tax revenue. Barbour, Lee and Russell counties are expected to benefit, too, from military programs being relocated to Ft. Benning, Ga.

Also up north, the Retirement Systems of Alabama has taken control of National Alabama's rail car plant. RSA loaned money as part of the package to lure the Canadian industrial firm to the Shoals. When the company failed to get on track, RSA invested more, taking over 100 percent equity in August.

International trade produced benefits across the state. Alabama exports were 32 percent higher in the first four months of 2010 than the same period of the previous year, compared to a 22 percent gain nationwide. Of Alabama's total \$4.8 billion in exports during the four-month period, \$1.3 billion came from exported automobiles.

Since Alabama's export initiative in 2004, total exports have jumped by more

than a third, reaching \$12.5 billion in 2009.

No state's news is entirely positive during a worldwide recession. Layoffs were announced for 600 Bechtel Power Corp. engineers and support staff in the Tennessee Valley, for 300 Sony Corp. workers in Dothan, and for some 7,000 bank employees across the state, representing a 13 percent employment drop in that industry alone, and many other workers faced smaller cuts, pay reductions, furloughs and unpaid days off.

Even as pink slips were flying, Alabama ranked sixth in the country for having eight top "micropolitan" areas that attracted the most corporate facility expansion projects, according to *Site Selection* magazine: Albertville, Cullman, Daphne-Fairhope, Enterprise/Ozark, Fort Payne, Scottsboro, Selma and Talladega/Sylacauga. The survey covered cities with populations from 200,000 to 1 million.

And Birmingham was identified in a Manpower survey as having the third best prospects for hiring in the nation, tied with Grand Rapids, Mich. and Greenville, S.C., and just behind Raleigh, N.C. and Washington, D.C. •

Alabama's Largest Industrial Sites

source: Economic Development Partnership of Alabama; edpa.org

Site Name	City	County	Available Acreage	Total Acreage	Rail Service	Zoning
Magnolia North	Loxley	Baldwin	15114	15114	Adjacent Track	None
Childersburg Industrial Park	Childersburg	Talladega	2171	2195	Onto Site	Heavy Industrial
NE Opelika Industrial Park	Opelika	Lee	1784	2200	Adjacent Track	Light Industrial
Shelby County Megasite	Calera	Shelby	1540	1540	Adjacent Track	Agricultural
Highway 20/I-65 North Site	Decatur	Limestone	1493	1493	Adjacent Track	Agricultural
Logan Site	Bay Minette	Baldwin	1400	1400	Adjacent Track	None
Crossroads of America	Boligee	Greene	1240	1500	Spur Available	None
Mallard Fox West	Trinity	Lawrence	1000	1000	Onto Site	None
Greenbrier I-565	Huntsville	Limestone	975	975	Adjacent Track	Business & Commercial
Airport Ind & Commercial Park	Montgomery	Montgomery	910	1044	Adjacent Track	Heavy Industrial
Craig Industrial Park	Selma	Dallas	700	700	Spur Available	Light Industrial
Murphree Property	Athens	Limestone	690	690	Onto Site	Unknown
South Dallas Industrial Park	Selma	Dallas	500	600	Adjacent Track	Light Industrial
Barton Riverfront Ind. Park	Cherokee	Colbert	490	1900	Adjacent Track	None
Wasden Russell Property	Montgomery	Montgomery	485	485	Adjacent Track	Agricultural
TCIDA Airport Industrial Park	Tuscaloosa	Tuscaloosa	450	1000	Spur Available	Heavy Industrial
Prattville South Ind Park	Prattville	Autauga	430	450	Adjacent Track	Heavy Industrial
Dudley Site #1	Phenix City	Russell	400	830	Adjacent Track	None
William T. Thweatt IP	Dadeville	Tallapoosa	400	602	Adjacent Track	Light Industrial
Shorter Technology Park	Shorter	Macon	400	500	Spur Available	Light Industrial
Montgomery Motorsports Park	Montgomery	Montgomery	385	385	Onto Site	Heavy Industrial
Mallard Fox Creek Ind. Park	Decatur	Morgan	381	1000	Spur Available	Heavy Industrial
McMillan Property	Castleberry	Conecuh	377	377	Adjacent Track	None
Scott G. Davis Industrial Park	Woodstock	Bibb	372	372	Adjacent Track	None
Atmore Industrial Park	Atmore	Escambia	313	510	Adjacent Track	Heavy Industrial
Interstate Properties	Oxford	Calhoun	307	379.8	Adjacent Track	Light Industrial
Interstate Industrial Park	Montgomery	Montgomery	306	700	Spur Available	Light Industrial
Eyster/Steed Site	Decatur	Morgan	300	300	Adjacent Track	None
Kyser Property	Montgomery	Montgomery	288	288	Adjacent Track	Light Industrial
Jackson County Industrial Park	Hollywood	Jackson	281	311	Onto Site	Light Industrial
Jefferson Metropolitan Park MC	Bessemer	Jefferson	253	704.5	Adjacent Track	Light Industrial
Hanchey Field Road Site	Daleville	Dale	253	253	Adjacent Track	None
Weekly Site	Bay Minette	Baldwin	250	304	Onto Site	None
Vincent Industrial Park	Vincent	Shelby	240	240	Adjacent Track	Light Industrial
Elm Industrial Park	Athens	Limestone	230	338	Spur Available	Heavy Industrial
Linden Industrial Park	Linden	Marengo	215	250	Adjacent Track	Heavy Industrial
Regional Airport Sites	Mobile	Mobile	213	3000	Onto Site	Agricultural
McElmurry Site	Bay Minette	Baldwin	200	210	Adjacent Track	Light Industrial
Marxer Property	Montgomery	Montgomery	200	200	Adjacent Track	Agricultural
Smelley Property	Talladega	Talladega	200	200	Spur Available	None
Huskey Industrial Property	Dothan	Houston	200	200	Adjacent Track	Heavy Industrial
International Paper Site	Tuscaloosa	Tuscaloosa	198	198	Onto Site	Heavy Industrial
Bell Road Industrial Park	Selma	Dallas	198	198	Adjacent Track	Light Industrial
Powe Property	Sylacauga	Talladega	191	241	Onto Site	None
Fryer Property	Brundidge	Pike	175	175	Adjacent Track	None
Miller Property	Castleberry	Conecuh	173	173	Adjacent Track	None
Salco 43 Industrial	Creola	Mobile	170	227	Adjacent Track	None
McCalla Rail Served Site	Bessemer	Jefferson	166	166	Adjacent Track	Agricultural
Virginia Station Phase 1	Creola	Mobile	160.6	168	Spur Available	None
Kelley Site - Phase 1	Clanton	Chilton	150	150	Onto Site	Light Industrial



Tennessee Valley

North Alabama aggressively maintains one of the fastest growing knowledge-based economies in the U.S

Since the 1950s, Alabama's Tennessee Valley has been home to a giant share of America's rocket science. Department of Defense units and defense contractors have continued to grow, while the scientific prowess they attract has in turn attracted an array of flourishing high-tech industries.

Unlike most of the US, DOD presence is growing as the result of BRAC closures elsewhere. Some 5,000 positions are slated to move to Huntsville in the next year or so, including the headquarters of Army Contracting Command and Expeditionary Contracting Command, joining the US Army Material command and the Security Assistance Command –

all bringing a bevy of related contractors in their wake.

Major defense players boosted the economy this year – such as Raytheon's announcement of a new standard missile production facility at Redstone, prompting Huntsville Mayor Tommy Battle to describe the firm as "one of the jewels of our community," and welcoming the prospect of 300 high-wage jobs.

But smaller space and defense companies also play a key role—technical services firm Irving Burton Associates bringing a dozen or more new employees to its federal contracting office; nearly 30 to McConnell Jones Lanier & Murphy LLP's new refurbishing facility; new

offices for technology firm MicroTech and Norris Cylinder, newcomers Vector Aerospace and Cummings Aerospace, Boecore and Computer Sciences Corp.—mostly attracted by defense contracting opportunities.

Alabama's portion of the nation's space science, headquartered at the US Army Redstone Arsenal and the NASA/Marshall Space Flight Center, is surrounded by units of 16 out of the top 20 federal prime contractors, including all of the top six: Lockheed Martin, Northrop Grumman, Boeing, Raytheon, Science Applications International Corp. and General Dynamics.

The Port of Huntsville and its Foreign



Trade Zone support all the area's industries.

The region's economic success stories weren't limited to rocket science and defense. Biotechnology, information technology, robotics and more join the science nexus that includes the state's new Advanced Technology and Robotics Research complex and strong technology programs at the University of Alabama at Huntsville.

Cummings Research Park, second largest in the nation, is credited with adding nearly \$3 billion to the region's economy. It is home to Huntsville's science/defense contractor giants, as well as the The HudsonAlpha Institute, which in turns houses biotech firms researching cancer, diabetes, Alzheimer's and more with a special eye to gene therapy.

The Tennessee Valley Authority announced plans to open a training facility in tiny Hollywood, Jackson County, for all its nuclear power plant workers. TVA estimates that the facility, training some 2000 to 5,000 workers a year with a staff of 50 employees, has the potential for cost savings, since expenses from a nuclear plant outage range around \$1 million.

Fort Payne and DeKalb County welcomed their second automotive supplier, Canadian A.P. Plasman Corp., announcing a \$14 million plan, employing at start-up some 200 workers making, painting and assembling auto exterior parts.

Scottsboro, in Jackson County, is looking forward to 200 new jobs with Heat Transfer Products Group. The Scottsboro facility will become headquarters to the company that makes air cooling components for food service markets.

And MAI Manufacturing opened a new plant in Limestone County, employing 50 people to make insulation for air-conditioning systems. •

Facing, top: TVA's Wilson Dam, on the Tennessee River in Florence. Facing, bottom left: Bridge Street, in Huntsville. Facing, bottom center: Garland Guder Jr. and Sr., owners of Southern Architectural Accents, in downtown Cullman. Facing, bottom right: HudsonAlpha Institute, Huntsville. Below, top: Downtown Huntsville. Below, bottom left: Lockheed Martin target launch. Below, bottom, right: Boeing-launched ground missile defense rocket.

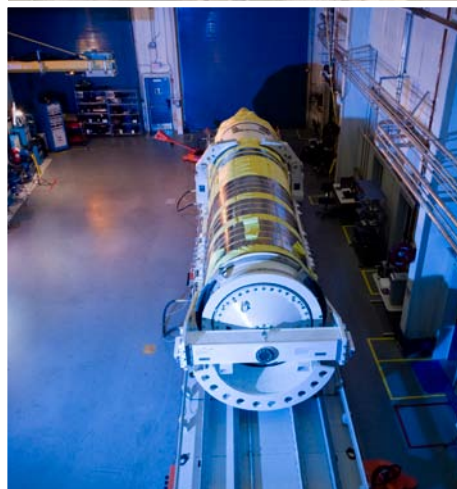


Photo courtesy of Boeing Co.

Central Highlands

The Central Highlands is home to the state's largest city, its banking and insurance center, expanding medical research, Mercedes and the University of Alabama.

Steel, cars, banking, insurance and two of the state's premier educational institutions set the Central Highlands apart.

To start with, the northern and southern ends of the state had easy water access and got the jump on commerce. But Birmingham had steel and as industrialization moved across the world, Birmingham's steel led it to first place among the state's growing cities—a ranking it still enjoys.

The statue of Vulcan still watches over the city from atop Red Mountain—a tribute to the iron ore that led to steel mills that attracted railroads and people and all the business of city life. Steel still looms large in the industrial mix—United States Steel still operates its Fairfield works there—but the economy is much more multi-faceted these days.

Alabama's banking and insurance industries are centered on Birmingham, home not only to the homegrown Regions Bank headquarters, but also to national headquarters for BBVA and regional headquarters for Wachovia, now Wells Fargo. Insurer Blue Cross and Blue Shield of Alabama makes its home in Birmingham, along with Protective Life

Corp., ProAssurance Corp. and Infinity Property and Casualty Corp. AT&T maintains regional operations center in Birmingham, with 5,000 employees.

But the city's largest employer pays tribute to a newer facet of the regional economy. University of Alabama at Birmingham, with 16,000 employees, is home to the state's older medical school, which is widely known for its medical research. An outgrowth of that research is private biotech leader Southern Research Institute, as well as firms working in pharmaceutical, bioinformatics and medical devices.

The Central Highlands are home to two of the three major auto plants that have transformed Alabama's economy. The Mercedes-Benz plant that opened in 1993 in Vance, near Tuscaloosa, is widely regarded as the beginning of Alabama's new industrial age. And the newer Honda plant, in Talladega County, employs some 4,500 people.

Drawn by Mercedes and Honda, the region is now home to some 300 automotive supply firms as well.

For generations, education has been the hallmark of the western Central Highlands. Tuscaloosa is home to the





University of Alabama, with some 10,000 jobs and pumping \$2 billion a year into the economy.

Economic powerhouse Mercedes-Benz U.S. International celebrated its 1,000,000th vehicle this year, and smaller players made news, as well.

J2 Technologies opened an office in Cullman to complement its Huntsville presence. The firm provides software and simulation for Redstone Arsenal.

Also in Cullman, Royal Technologies expected to open a new plant making parts for office furniture and auto interiors. With 35 employees to start, the company hopes to grow to some 300 workers.

Home Depot announced the addition of 100 staffers at its McCalla distribution center. And that's not the only win for McCalla, which learned that Gestamp Alabama will invest an additional \$28 million in its plant there and Norfolk Southern plans to break ground for a \$112 million intermodal cargo terminal in McCalla, adding 600 workers to its payroll.

Anniston provides a military presence in the Central Highlands. The Anniston Army Depot repairs combat vehicles on the base and in the field as well as making protective armor for HMMWVs. In nearby Calhoun County, instead of a thriving base with a \$1 billion operating budget, the county faced closure of Fort McClellan and responded to the challenge by developing a planned community that has won accolades from coast to coast. •

Facing, top: Logan Martin Lake, in St. Clair County. Facing, bottom: University of Alabama, Tuscaloosa. Below, top: Cullman Wellness and Aquatics Center, a \$15 million community investment in Cullman. Below, bottom: Alabama Aircraft Industries Inc., in Birmingham.





Capital Heartland Region

Kia suppliers are the latest automotive manufacturers to enter the region, defying the global economic downturn and adding another layer to an economy already strong on government services, aerospace and agriculture.

Alabama's Capital Heartland is truly central to the state. Geographically, it's just about in the middle. In the center of the region stands Montgomery, with the state's capitol building rising above the legislative compound. Around its outskirts stretch the rich black belt lands that nourish the state's agriculture. The region is also central to the state's history – home to cotton gin king Daniel Pratt, site of the first capital of the Confederacy and site of the 1960s Civil Rights actions.

And now it's home to one of the three major automotive plants that have headlined the state's bold new industrial economy.

Hyundai USA, the region's top manufacturing employer, with more than 3,000 workers, is basking in 2010 sales that overwhelm the numbers during the previous year's car-selling nadir. In fact, the Montgomery-made Hyundai Sonata is selling so well that the company is

moving production of the Santa Fe away to a Kia plant in Georgia, allowing the Montgomery plant to make even more Sonatas.

Montgomery also has a key military presence in the Air University at Maxwell-Gunter Air Force Base, along with two other major groups: the 42nd Air Base Wing and the Operations Sustainment and Systems Group, a major military information technology unit. The Chamber of Commerce estimates the economic impact of \$1.6 billion a year.

State government is Montgomery's second largest employer, after the air base's 12,000-plus workers, with 9,500 employees. Beyond government and automotive, the regional economy features the insurance company Alfa Corp., with more than 2,500 employees, and major players that make water heaters, make automotive parts and process poultry. Hausted Patient Handling Systems LLC, announced

in 2010 that it will open a headquarters facility in Montgomery, employing about 45 people.

The region's other major city is Auburn, home to its namesake university, leader of the employment ranks, with more than 5,500 employees. The first land-grant university in the South, Auburn has led the state's applied sciences research and education. Engineers, pharmacists and veterinarians are among the 24,000 students who are educated there.

Auburn and its neighbor Opelika are a tribute to thoughtful economic development. When traditional employers closed and moved, the cities targeted small and medium technology firms that would benefit from proximity to the university's technological expertise, and the plan seems to be working. In May alone, economic development officials announced that the German firm Tube Technology Systems AG, was plan-



Opposite, left: Alabama State Capitol, Montgomery. Above: Renaissance Montgomery Hotel & Spa at the Convention Center. Right, top: Biotechnology research at Auburn University. Right, bottom: Historic cotton gin factory founded by Daniel Pratt, downtown Prattville.


ning a new \$1.4 million plant in Auburn, while CNJ Tech Inc. and Health Information Designs Inc. both announced plans to expand and add workers. Other industrial announcements include Pyongsan America's plan for a \$5 million expansion of the Auburn facility, where it makes air conditioning and heater core pipe assemblies, with the expectation of an additional 100 jobs.

Not all economic development news is centered on the region's two major cities. Prattville got word of a new Medline Industries Inc. distribution center coming their way with 35 to 40 jobs.

Other counties in the region are also home to new automotive suppliers, adding to the traditional mix of forest products, agriculture, and lakeside vacation land.

Sometimes the bright economic news is simply hanging onto what you already have. Selma and Dallas County officials invested in infrastructure improvements to retain long-time economic leader Bush Hog. The mini-bailout cost the region just over half a million dollars but saved 300 jobs. •





The Southeastern Wiregrass region includes one of the state's most active aerospace clusters, centered on the Army Aviation Center at Fort Rucker. It is also one of the most prolific agricultural producers in the Southeast.

Southeastern Wiregrass

You might think a region that's named for its ground cover ought to be centered on agriculture, and you wouldn't be too far wrong, but you need to look to the skies to see the other major component of the Wiregrass economy. This mainstay of the state's cotton, peanuts and forest products is also home to a cluster of aviation activities, both civilian and military.

Famous for its agricultural products—chickens, cattle, hogs, grains, melons and vegetables—the peanut is paramount. Peanut producer Session Co. is the largest employer in Enterprise, and Dothan tags itself the Peanut Capital of the World. Coffee County ranks fourth among the state's counties for agricultural receipts, at \$196 million.

For several decades, however, the region has earned a reputation for aviation expertise.

It started at Fort Rucker, the world's largest helicopter training facility, where you'll find NATO pilots as well as American military pilots. On the ground, the facility serves as the certification center for maintenance crews, flight systems and aircraft, as well as their pilots. Some 12,000 people, about half



military and half civilian, are employed at the base.

Like the auto industry attracting automotive suppliers in other parts of the state, the aircraft installation attracts aviation facilities. Sikorsky and Bell Aero make helicopters in the region. Pemco operates

a major aircraft maintenance and overhaul facility. And the state has created a new post-secondary school there—the \$10 million Alabama Aviation Technology Training Center—just to train aviation industry workers. Avionics technician is the fastest growing occupation in Houston County.

The region is also tapping into the automotive industry, which has sparked the state's economy for nearly two decades now. While none of the big three auto plants have chosen the Wiregrass, several new automotive suppliers are locating there: HS Automotive Alabama Inc., making auto weather stripping and other flexible items in Coffee County; Smart Alabama, in Crenshaw County, making tailgates, hoods and sunroofs, and Dongwon Autopart Technology, making auto components.

While boasting of its small-town friendliness and out-of-doors opportunities, the region is also home to several unusual high-tech companies—Humminbird/Techsonic Industries Inc., which makes electronic depth finders; Enterprise Electronics Corp., which makes the first Doppler weather radar system; MFG/Alabama, which makes

fiberglass parts for wind generators, and a Lockheed Martin missile facility.

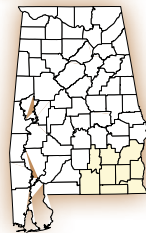
Showing its economic diversity, the Wiregrass region has posted two unusual economic wins this year. Key Fire Hose Corp. announced plans to move its headquarters from Miami to Dothan, where the company has had a 100-worker plant since 2006. And To Your Health Sprouted Flour Co. of Andalusia announced plans for expansion after being tapped for a major contract with Whole Foods Markets.

Looking to the future several Wiregrass counties have developed properties suitable for industrial use as a lure for future employers, and Houston County has been designated as a Foreign Trade Zone.

And the region continues to reap the key benefit of small-town life. Dothan is listed by the Council for Community and Economic Research as having the lowest cost of living of any city in Alabama.



Facing, top: The historic Dothan Opera House has been restored as a performing arts center. Facing, bottom: The Women's Center at Southeast Alabama Medical Center, in Dothan. Left, top: Downtown Dothan murals project. Left, bottom: Historic Fendall Hall house museum, in Eufaula. Below, top: Lockheed Martin manufactures missile in Troy, Ala. Below, bottom: The Wiregrass is one of the leading peanut producing regions in the U.S.





Alabama Gulf Coast

The Gulf Coast region has traditional port-based industries, aerospace manufacturers and a cluster of modern steel operations that includes the largest greenfield plant to be built in U.S. history.

Whew! Is it the sound of relief at the news that Mobile-based Austal USA won another Navy contract? Or that the oil spilled in the Gulf seems to be dissipating so that fisheries can reopen? Or the nervous laugh as the deadline approaches in the contest for an enormous contract in which European aerospace giant EADS hopes to be chosen—to build aerial refueling tankers for the Air Force at a facility in Mobile. Or maybe the sound of the first steel rolling through the massive ThyssenKrupp plant just north of Mobile?

Whatever the source, Alabama's Gulf Coast economy shared celebrations with consternation over the past year and looks forward hungrily to a year without disastrous surprises.

Almost a year after its target date,

ThyssenKrupp opened its twin steel mills—carbon steel at one, stainless at the other—along the Mobile-Washington county line. New facilities came into operation at the port allowing bigger ships and easier shipment of steel slabs from the German steel giant's other plants. The mills represent an investment between \$4 billion and \$5 billion, reputedly the largest industrial development ever.

The Gulf Coast is also home to Swedish SSAB, which makes steel from scrap, and home to a new \$21 million steel pipe mill that Lakeside Steel Inc. plans to open in Thomasville in Nov. 2011.

Steel is just one component of the Gulf Coast economy. Shipbuilding, chemicals and aviation play major roles, along with the tourism and fisheries of the Gulf Coast itself.

On the shipbuilding front, Austal USA added 800 workers in 2010 on the strength of a contract for two joint high-speed vessels and hoped to add more if it gets the nod for a contract for 10 more littoral combat ships.

The region is home to nearly a dozen chemical plants, lying alongside the rivers that provide water supply and easy transportation.

Aviation is also key to the Gulf Coast economy. Bates Field is home to the Coast Guard Aviation Training Center, training helicopter and jet pilots.

Aircraft manufacturer EADS, like its shipbuilding neighbor Austal, is waiting for word on a major contract. The European consortium is one of two contenders for a massive Air Force contract to build an aerial refueling tanker. If EADS wins, it



Facing, left: Arthur A. Outlaw Convention Center, on the Mobile River. Facing, right: BAE Systems shipyard, in Mobile. Above left: Seegers Aerospace, in Fairhope. Above: The Wharf, a retail development in Orange Beach.

will add an aircraft assembly facility in Mobile, where it has opened and then expanded an engineering office.

ST Mobile Aerospace Engineering, one of the region's largest employers, refurbishes planes at its site at Brookley Field in Mobile, and, across the bay, Baldwin County boasts a cluster of aviation specialists: Goodrich Aerospace and Aerostructures Group, Fokker Airinc, Jamco America and Segers Aerospace.

The region's inland counties recently banded together to form the Coastal Gateway Regional Economic Development Alliance. The group has raised well over half of its target \$2 million to win new business ventures for Choctaw, Clarke, Conecuh, Monroe and Escambia Counties.

In other good news inland, RockTenn announced plans for a \$25 million chip mill alongside its paper mill at Demopolis.

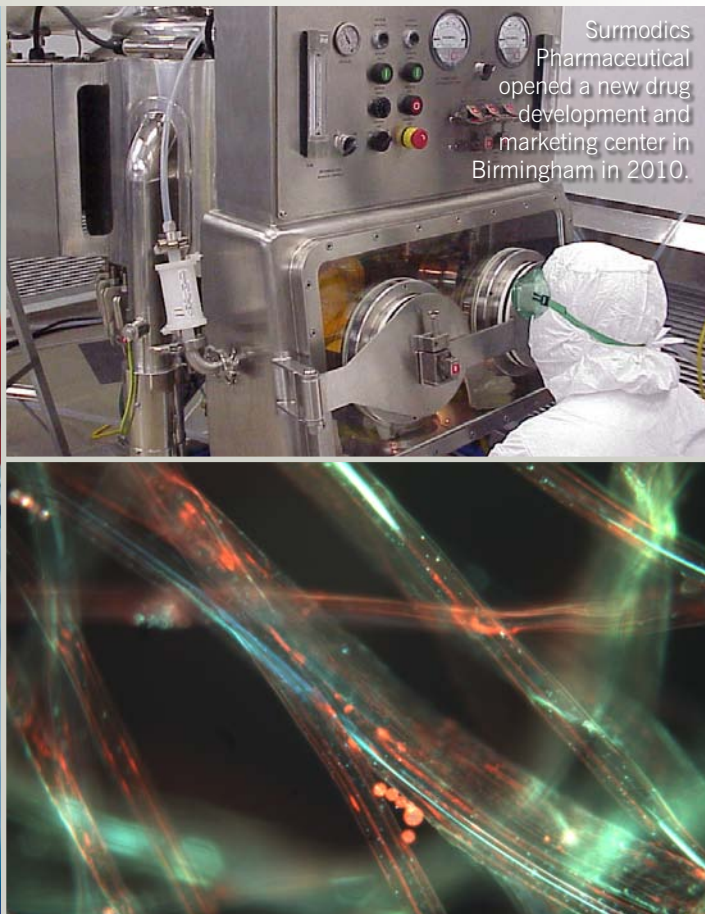
A new but unusual venture got underway in coastal Bayou La Batre. The Gulf Coast Agricultural and Seafood Co-op broke ground for a \$6 million waste recycling plant that will turn the waste from shrimp and crab processing into fertilizer – both a source of income and a way of trimming landfill costs.

And the Alabama State Docks continue to enable commerce from the Gulf waters, through Mobile Bay and throughout the state with multi-modal facilities and waterways reaching to the Mississippi and beyond. The port has just completed major expansions to handle 5 million tons of steel slab, bigger ships in the new turning basin, an updated coal terminal to handle millions of tons of coal shipping in and out of Alabama, and a new double-decker rail loading facility to accommodate the International Shipholding rail-ferry service to Mexico. •





Huntsville's Applied Genomics Inc., one of the 12 associate companies housed at the HudsonAlpha Institute was acquired in 2010 year by California-based Clarent Inc. for \$17.6 million.



Surmodics Pharmaceutical opened a new drug development and marketing center in Birmingham in 2010.

Biotechnology

Biotechnology is big business across Alabama and earns big dollars for research at the state's seven research universities. Nearly 100 biotech firms are headquartered here, including the flagship Southern Research Institute in Birmingham.

With more than 600 scientists and support staff and a track record of developing six FDA-approved drugs and more in the pipeline, SRI announced plans this year for a major expansion.

The \$20 million project, with financing

arranged by Porter, White & Co., will allow Southern Research to expand its specialty labs and equipment, to retain jobs and add new researchers. It comes on the heels of the institute's designation in early 2010 as a center for accelerated discovery and development of cancer treatments.

Significant cancer research is also in progress in the northern and southern ends of the state – at the HudsonAlpha Institute in Huntsville and the Mitchell Cancer Institute in Mobile. •

RESEARCH UNIVERSITIES

- Auburn University
- Alabama A & M University
- Tuskegee University
- University of Alabama
- University of Alabama at Birmingham
- University of Alabama at Huntsville
- University of South Alabama

Biotech news briefs

- **Surmodics Pharmaceutical** opened a new drug development and marketing center in Birmingham. Based in Minnesota, the publicly traded company provides drug delivery systems – such as sustained drug delivery devices for ophthalmic diseases. The Birmingham facility is 90,000 square feet with

16,000 square feet of production space in four clean rooms, enabling work on multiple products at the same time.

- Dental implant company **BioHorizons** (Birmingham) has filed papers with the Securities and Exchange Commission preparatory to its IPO.

NEWS FROM THE MAJOR RESEARCH CENTERS

Southern Research Institute

- In October, Southern Research acquired the bioanalytical laboratory assets and personnel of another Birmingham-based research firm, BioCryst Pharmaceuticals. Southern Research described the acquisition as an asset toward expansion of its clinical trials support.
- In August, Southern Research opened an additional office in Huntsville, so that its specialties in materials characterization in extreme environments would be convenient to NASA and Department of Defense facilities.
- Early in 2010, Southern Research and Vivo Biosciences announced an agreement to promote and market each other's services, with a goal of accelerating preclinical work with new drugs, according to Dr. Raj Singh, CEO of Vivo Biosciences. Vivo has developed an "all-human" bioassay platform for drug research and discovery.

Mitchell Cancer Institute

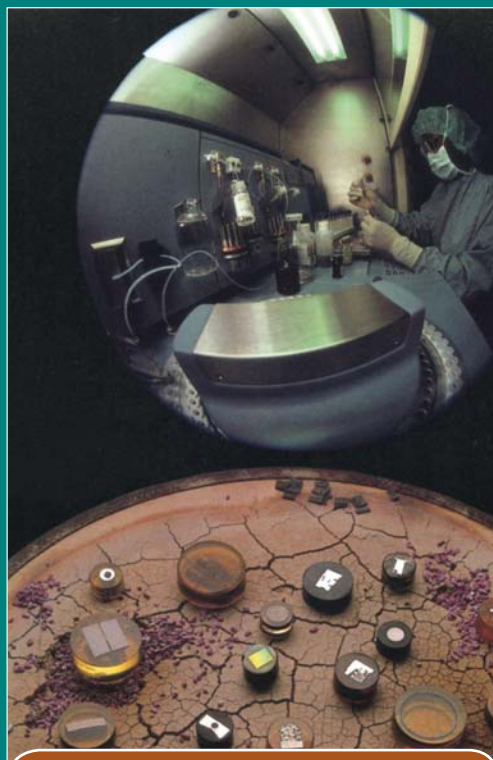
- **Swift Biotechnology**, a start-up firm working to market new endometrial and ovarian cancer screen tools in development at Mitchell Cancer Institute, won a \$50,000 Alabama Launchpad award for its business plan. Swift is the first company to license technology from MCI.

University of Alabama at Birmingham

- **Soluble Therapeutics** incorporated this year, a spin off from UAB research in 2010. The firm works with drugs to speed production of insulin and dissolve blood clots.

HudsonAlpha Institute

- **Applied Genomics Inc.**, one of the first twelve associate companies housed in the HudsonAlpha Institute's incubator for genome-based research companies, was acquired early this year by **Clariant Inc.** of Aliso Viejo, California, in a \$17.6 million stock swap. Later in the year, **General Electric** offered \$580 million to purchase Clariant. GE said it was working to build its healthcare unit by expansion into cancer diagnostic and therapy selection tools.
- **Diatherix Laboratories** introduced two new rapid-response diagnostic tests this year, one for sexually transmitted diseases and one for herpes simplex virus.



The Southern Research Institute, in 2010, acquired the bioanalytical laboratory assets and personnel of another Birmingham-based research firm, BioCryst Pharmaceuticals.



The HudsonAlpha Institute, a national leader in genomics research, is the cornerstone of a 150-acre biotech campus located in Cummings Research Park.

Aerospace



European defense giant EADS has proposed its KC-30 air tanker for a \$40 billion Air Force contract, with assembly to be done in Mobile.

As the Marshall Space Flight Center celebrated 50 years of dominance in the world's forays to the heavens, aerospace continues to be Alabama's dominant high-tech industry.

Billions of dollars flow to the state's northern tier through the military, through defense contractors and their suppliers and through the specialty education and training facilities that help fill the demand for highly skilled technicians.

Alabama's aerospace industry began in the 1950s, when the federal government placed Dr. Wernher von Braun and his rocket science team at the Redstone

Arsenal in Huntsville.

Today, nearly 300 aerospace firms generate billions of dollars of economic impact and more than 150,000 jobs, with average wages of \$1,336 – close to double those of other Alabama industries. While this high-tech industry has the most impact in Huntsville's space and missile cluster, other aerospace business – both military and civilian – are clustered in other regions of the state, from Dothan and Albertville's helicopters to Mobile and Baldwin county's maintenance and repair facilities and Mobile's new EADS engineering center.

Aerospace Numbers at a Glance

- **Aerospace companies:** 280
- **Aerospace jobs:** 157,950
- **Department of Defense Prime Contracts:** \$9.5 billion (2009)
- **Alabama's Rank among Southern States for Defense Dollars:** Second (after Florida)
- **Exports of equipment and parts:** \$531 million (2009)
- **Average weekly wages:** \$1,336
- **Growth of Aerospace companies:** tenfold since 1970, from 23 companies in 1970 to 280 companies in 2008

GOVERNMENT AEROSPACE FACILITIES

- **Redstone Arsenal:** Marshall Space Flight Center, the Army Aviation and Missile Command and the Army Space and Missile Defense Command are all based at Redstone, the home for 14,000 military and civilian workers, with more arriving daily as a result of base closings elsewhere.
- **Marshall Space Flight Center:** This 8,600-worker facility is home to the nation's Advanced Space Transportation Program, the Center for Excellence for Space Propulsion, the Center for Microgravity, the Center for Space Transportation Systems, the Chandra X-Ray Observatory, Earth and Science Research, and International Space Station programs. It's Space and Rocket Center attracts 300,000 visitors a year.
- **Fort Rucker:** Some 8,000 people work at this facility that provides training and certification for U.S. Army Aviation.
- **Maxwell Air Force Base:** With 4,000 employees, this base near Montgomery provides training for Air Force officers at the Air University and provides IT support for Air Force computers worldwide.
- **Science and Technology Center:** This specialty research facility partners NASA's work with Alabama's universities. Specialties include space science, global hydrology, IT, optics, propulsion and materials science.

2010 Aerospace Headlines

A Boeing Delta IV rocket roars off the launch pad to lift the GOES-N satellite into space, at United Launch facilities in Decatur, Ala.



- ▲ In 2010, Boeing Co. and Northrop Grumman Corp. announced plans for a strategic partnership for work on the ground-based midcourse defense system.
- ▲ In 2010, Teledyne Brown Engineering acquired CML Group, a Liverpool, England, maker of composite aircraft parts.
- ▲ In 2010, Airbus Americas (EADS) expanded its engineering center in Mobile, adding 90 jobs.
- ▲ In 2010, Northrop Grumman expanded its integrated air and missile defense command system facility in Madison County, added 300 jobs.
- ▲ In 2010, Huntsville-based Dynetics Cop. Bout Orion Propulsion Inc.. The team-up should allow the private firms to build and launch small satellites without using a turbo pump, dropping the launch price tag to about \$1 million.
- ▲ In 2010, GE Aircraft announced plans for a jet engine coating plant in Alabama. By late 2010, no specific site had been announced for the \$45 million, 300-worker plant. The state "aggressively pursued" this project, said Alabama Gov. Bob Riley.
- ▲ In 2010, Raytheon announced plans for a new missile plant at Redstone Arsenal. The plant should add 300 workers, bring total Raytheon employment to about 1,000 people.
- ▲ Griffon Aerospace in Madison County rolled out its

first MQM-171A BroadSword Unmanned Aircraft System this year.

- ▲ Star Aviation in Mobile won a contract to add wireless internet systems on Alaskan Airlines planes.
- ▲ Regent Aerospace, also in Mobile, announced plans for a new MRO shop specializing in interiors close to major MRO shops MAE at Brookley Field.
- ▲ After winning a \$209 million contract for quality assurance for a federal missile defense program, APT Research in Huntsville plans to add 100 jobs.

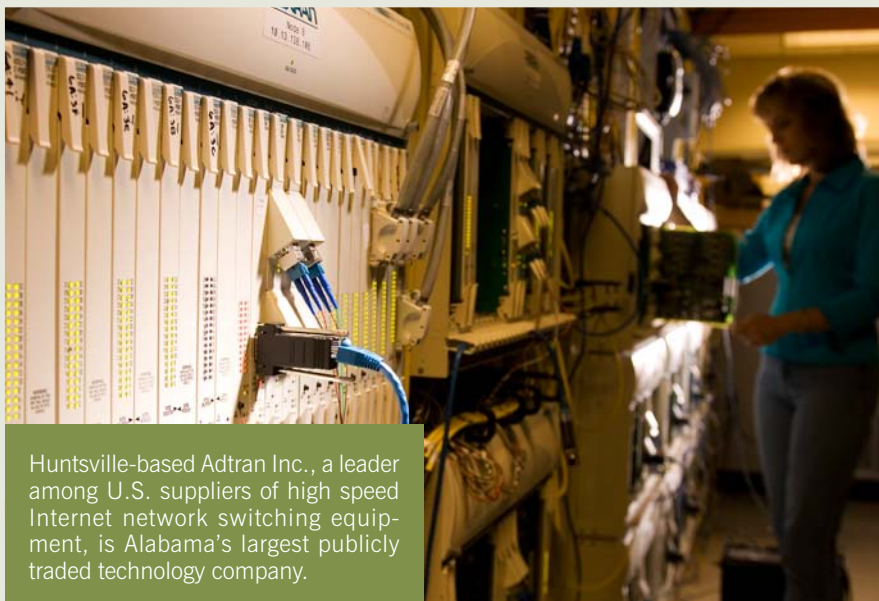
Aerospace Sectors and Clusters

- **Space and Defense:** Centered in Huntsville, this sector is built on the synergy between sophisticated defense programs and NASA's space exploration and research. Most of the nation's largest defense contractors have facilities in or near Huntsville: Lockheed Martin, Northrop Grumman, Boeing, Raytheon, Science Applications International Corp. and General Dynamics. Mobile has an up-and-coming element of this sector in the new EADS facilities – an Airbus engineering center opened in 2006 and expanded in 2010 in hopes of winning

a \$35 billion contract to build Air Force refueling tankers.

- **Aviation:** Several aviation firms dot the Alabama landscape including GKN Aerospace in Tallassee, Kelly Aerospace in Montgomery and Teledyne Continental Motors with 450 workers at facilities in Mobile and Abbeville building engines and ignitions systems.
- **Maintenance, Repair and Overhaul:** Keeping planes airworthy is a growing sector as the nation's aircraft age.

Pemco World Air Services in Dothan performs major modifications and maintenance. ST Mobile Aerospace Engineering also performs major modifications and provides scheduled maintenance. Alabama Aircraft Industries cares for U.S. and foreign military aircraft, especially cargo planes. U.S. Helicopter, Sikorsky Aircraft Corp., AcroHelipro, and BAE Systems work with helicopters. And a cluster of firms in Baldwin County – Goodrich Aerospace, Fokker Airinc, Jamco America, and Segers Aerospace -- focus on aircraft parts and systems.



Huntsville-based Adtran Inc., a leader among U.S. suppliers of high speed Internet network switching equipment, is Alabama's largest publicly traded technology company.



Huntsville-based high tech space and defense contractor Dynetics Corp. in 2010 unveiled plans for an expansion of its Huntsville headquarters that will create work for an additional 350 employees over the next three years.

Headlines from Alabama's world of Information Technology

■ Alabama agencies received \$132 million in federal grants for broadband projects, part of the Obama administration's \$1.8 billion broadband upgrade. Alabama projects included \$59.3 million for **Trillion Communications** in south-central Alabama, \$26.1 million for **Troy Cablevision** in southeast Alabama, \$21.3 million for **Appalachian Valley Fiber Network** in northeast Alabama and northwest Georgia, \$19.1 million for the **North Alabama Electric Cooperative** in Jackson and Marshall counties, \$6.3 million for **JKM Consulting** in east-central Alabama, and \$461,539 for **Boat People SOS** in coastal counties.

■ **Intergraph Corp.** (Huntsville), a major player in Alabama's IT world since its founding in 1967, was sold this year to Hexagon AB for \$2.13 billion cash. A Swedish firm, Hexagon makes surveying and measuring equipment and will keep Intergraph's geospatial applications and computer-aid engineering as a separate division and brand.

■ Earlier in 2010, **Intergraph** was chosen to provide software for England's national fire and rescue systems. FiReControl uses Intergraph's incident response management tools to provide quick response and improve safety both for firefighters and for the public.

■ **Intergraph** also announced a new aerial camera system that allows use of interchangeable lenses,

Information Technology

Whether its woven into the fabric of a hospital, a law firm, a grocery distributor, a library or a missile system developer or whether it's a stand alone business, information technology is as ubiquitous as business itself.

Across Alabama, IT exists not only as a support system but as a major stand-alone sector of the state's economy.

The Alabama Department of Industrial Relations considers all facets of IT to be a growing industry for at least the next half decade. •

rather than requiring a different camera for each type of photography.

- **Adtran** (Huntsville) introduced Layer 3 Ethernet switching products that lower the price tag for 10-gig bandwidth to between \$1,500 and \$2,300, which should make the greater bandwidth available to more businesses.
- **Aegis Technologies Group Inc.** (Huntsville) won a three-year, \$74 million contract for the Air Force Modeling and Simulation Training Toolkit.
- The City of Huntsville announced plans for **Cyber Huntsville**, an initiative to build on the region's expertise in cyber matters "to become a nationally recognized hub of expertise in cyber security, research, development, test and evaluation, engineering, experimentation and life cycle management," said Huntsville Mayor Tommy Battle. Weapons systems, communications, command and control links and even the basic supply chain are all potential cyber attack targets, Huntsville officials said. Cyber Huntsville would work to keep systems working even under cyber attack.
- Alabama teamed up with Microsoft this year to provide free online technology training to Alabama residents. Vouchers for the program are being distributed at career centers around the state.
- **Computer Programs and Systems Inc.**, (Mobile), announced financial results for the first half of the year, showing dramatic increases in revenue over the previous year.
- **Command Alkon** (Birmingham) was included in *Software Magazine's* ranking of the world's top 500 software and service

From top: Space Applications International Corp. (SAIC) offices at Cummings Research Park, in Huntsville; Aerial view of Cummings Research Park; offices of telecom Digium Inc., at Cummings Research Park.



providers for the 14th straight year. In 2010, Command Alkon ranked 244. The firm develops software for construction and bulk materials industries.

- Fresh off a record sales year in 2009, **McLeod Software** (Birmingham) is celebrating its 25th year in operation. The firm makes software for trucking and brokerage companies.
- **EHS Inc.** (Birmingham), 15-year-old developer of software to manage physician practices and to maintain health records,



changed its name this year to **SuccessEHS**. Also this year, EHS was named one of six preferred vendors for the state of Iowa.



Automotive

Alabama's young auto industry hit the brakes just like everyone else's in 2009 – losing some 3,500 jobs at automakers and suppliers, but 2010 shows definite signs that the accelerator's back at work.

Automobile exports, for example, jumped 32 percent in the first part of 2010, well above the national average increase of 22 percent. And auto production was up more than 67 percent in the first five months of the year, according to statistics compiled by the Alabama Development Office. Five day work weeks and overtime have reappeared at auto plants across the state.

The first years of the state's auto industry produced an astounding story – from zero to fifth in the nation in 10 years. From no car at all until the first M-Class Mercedes was complete in 1997 to 2,000,000 total vehicles by 2006; from no engines before 2001 to 1.2 million a year just six years later.

As well as its three auto assembly plants and two major engine plants, the state has attracted some 250 suppliers,

including several that serve plants just over the state's borders. •

Fast Facts

- Motor vehicles are Alabama's top export: \$3.4 billion in 2009, or more than a quarter of the state's total exports.
- Automotive investment in Alabama totals \$7 billion over the past 10 years, with 35,000 new jobs.
- Alabama is 5th in the nation in car and light truck production
- Weekly wages average \$1,325, almost double that for all industries.

New this year

- **Fehrer Automotive** in Etowah County built a new plant to employ 110 people making molded foam parts and seat pads
- **SaeHaeSung Alabama** in Covington County expanded its stamping facility, adding 150 jobs.
- **Toyota Motor Manufacturing Alabama** expanded its engine plant in Madison County, adding 240 jobs making four-cylinder engines
- **Alabama Cullman Yukata Technology** in Cullman County added 15 jobs in a \$2.7 million expansion to its exhaust system, catalytic converter and motorcycle disk brake plant.

KEY FACILITIES



- **Mercedes-Benz U.S. International.** Opened in 1993, the \$1 billion facility employs 3,000 people and has a capacity of 174,000 vehicles a year. The Tuscaloosa County facility makes M-Class SUV, R-Class Grand Sport Tourer and GL-Class SUV.
- **Honda Manufacturing of Alabama.** Opened in 2001, the \$1.4 billion facility has 4,000 employees making Odyssey minivans, Pilot SUVs, Ridgeline pickup trucks and V6 engines. Capacity is 300,000 vehicles and engines a year.
- **Hyundai Motor Manufacturing.** The Montgomery County facility, opened in 2004, represents a \$1.4 billion investment, employs 2,700 people and has a capacity of 300,000 engines and vehicles a year. Until 2010, the Montgomery plant made Sonata sedans, Santa Fe SUVs and V6 engines, but the Sonata has become so popular that the Alabama plant will make only Sonatas.
- **Navistar Diesel of Alabama,** in Madison County, produces V6 and V8 diesel engines as well as MaxxForce 11 and 13 big-bore diesels. The 400-employee plant, Navistar's newest, represents a \$350 million investment.
- **Toyota Motor Manufacturing Alabama Inc.,** makes V8 and V8 pickup truck engines. The 750-employee firm opened in 2001 in Madison County represents a \$514 million investment.

News this year

- **Hybrid Kinetic Group Ltd.** announced plans for a \$3.4 billion plant near Bay Minette to produce 300,000 hybrid vehicles a year. Also this year the Chinese company spent \$26 million on a lithium-ion battery company and unveiled a possible design for its vehicles.
- Sales of **Hyundai's** Sonata model jumped by 48 percent in the first half of 2010, and the carmaker announced in August that it is moving Santa Fe production to Georgia, freeing the Alabama plant to make even more Sonatas.
- **BLG Logistics Inc.**, which is tied to the parts and sequencing operations at the Mercedes-Benz USA plant near Tuscaloosa, will move into a new 120,000-square-foot building next to the Mercedes plant.

While Alabama would like to have hosted Toyota's newest plant, the decision to locate the plant just over the border in Blue Springs, Miss., brought smiles to economic developers, who expect many of the 2,000 workers and many of the new suppliers to locate along Corridor X in Alabama.

- **Sanoh America, Inc.**, announced a \$3.5 million expansion to its automotive tubing plant. The Scottsboro facility will add 40 or more workers.
- **Heil Environmental Industries** broke ground on a \$6.4 million expansion to its Fort Payne facilities. Heil is the world's largest manufacturer of garbage trucks. With 350 employees, it is the third largest employer in DeKalb County.
- **Honda** added a second Odyssey minivan production line – a \$425 million expansion – closing Odyssey production in Canada and adding 2,000 workers here. That makes Honda the state's biggest automaker.
- **Posco**, a Korean firm, opened a \$19 million automotive steel cutting plant in McCalla, calling the town near Birmingham "the center of the automotive industry in the U.S."
- **Tube Technology Systems Inc.** announced a new \$1.2 million plant at Auburn to make brake tubes for Volkswagen.
- The French company **Fourecia** announced plans for a \$13.5 million investment in a new plant – its second at Tuscaloosa – to make automotive interior parts.
- **Pyongsan America Inc.**, is expanding



Honda added a second Odyssey minivan production line at its Alabama plant in 2010 – a \$425 million expansion that added 2,000 workers.

its air conditioning and heater core pipe assembly plant at Auburn, a \$5 million expansion adding 100 jobs.

Little news is good news, too.

- **Pilkington North America** is opening

a facility in Athens to make front door glass assemblies for Honda. The plant is expected to employ eight to 10 workers.

- **Hoerbiger Automotive Comfort Systems** is expanding its Auburn plant, adding 25 jobs.

Lowndes County Industrial Park

"Your Gateway to the Future"

Fully prepared and spacious industrial park just miles from Hyundai Automotive Manufacturing Plant. Electricity, gas, water, rail, and fiber optic cables available.

Home of G.E./Sabic Plastics, Daehan Solutions*, Electro Aircraft Systems, Sejong Industry*, Tyson (Koch) Foods, Priester's Pecan and Warren Oil Company.

Prime sites available for Manufacturing, Distribution, and Warehousing Facilities

Low Land Cost and Good Business Climate

Foreign Trade Zone

No Local Income Tax on Business or Personal Income.

Contact our Economic Development Department for More Information:
(334) 548-2331

* Hyundai Auto Parts Supplier

ALABAMA TECHNOLOGY'S TOWN SQUARE

PMT Publishing's new online magazine, TechnologyAlabama.com, combines news, views and job tools in a tech community town square.



The publisher of Technology Alabama launched a new website to further support Alabama's diverse technology sectors by delivering daily news, encouraging interaction, and promoting employment. From job leads to R&D, TechnologyAlabama.com is well positioned to become Alabama's first technology town square.

The site went live in early October with a mix of content for technology users, developers and managers. It features a daily collection of links to the most interesting and relevant tech stories from around the web, locally generated news and features pertinent to Alabama, opinion and analysis articles, an employment section powered by Job Target, a meetings and events calendar, user groups, a press release bank, and R&D updates from Alabama's research universities.

Coverage of the latest gadgets, software innovations and technology business news is included, but equal weight is given to developments in the aerospace, automotive and biotech industries that help propel Alabama's economy.

"There is no shortage of technology news on the Internet, but our site puts the best of the web in one place and combines it with a strong emphasis on technology news from Alabama companies and research universities," says PMT Publishing President T.J. Potts.

The site is a collaborative effort between PMT Publishing and a handful of professionals with strong backgrounds in various aspects of technology. Scott Simon, of tech recruiting agency BetterHire, is serving as site coordinator and facilitating the job board area. Longtime business and technology writer Don Milazzo is the site editor. Marketing functions are being carried out by Scott Schablow, a specialist in social media and web strategy, and Jeff Deneen, a market researcher and technology integrator. Robert Cain, a Microsoft MVP at ComFrame Software, is technical advisor.

For information on submitting editorial content or calendar items, or to inquire about site advertising or job board packages, visit TechnologyAlabama.com and click "Contact" in the banner.



www.technologyalabama.com

Michael Lutter, CFO
ThyssenKrupp Stainless
USA



Yoshikazu Hattori, coordinator
for production, Toyota Motor
Manufacturing



Ian James, assistant manager Mercedes-Benz USA

Cosmopolitan Views of Down Home

How do others perceive Alabama? Forget the congressional delegation from Washington state. Start, instead, with the more than 300 foreign-based companies from more than 30 nations that operate manufacturing plants in Alabama. We spoke with the temporarily expatriated executives of some of these companies about their expectations and experiences of life in Alabama.

BY NEDRA BLOOM

Southern hospitality and a great opportunity for career advancement are the chief drawing cards for overseas executives to the international firms now flourishing in Alabama.

And Southern weather is the first surprise — sometimes good and sometimes not.

“Coming from London, people expect me to say that wherever you go, the weather will be better,” says Ian James, an assistant manager for corporate controlling at Mercedes-Benz in Vance. While he and his wife enjoy Alabama summer, “winter can be pretty freaky,” he says, recalling the previous weekend when he’d played golf in short sleeves on Saturday and huddled under the kitchen counter during a tornado threat the next night.

The attitude to beach weather just depends on where you’re from. German Michael Lutter, CFO for ThyssenKrupp Stainless USA, says weather was a big draw and he loves being able to go to the beach any time of year. But if you’re from

Western Australia, like Dave Growden, program manager for the Joint High Speed Vessel at shipbuilder Austal, going to the beach at Christmas is one of the things he misses most “Go to the beach here at Christmas and you’ll freeze.”

For Yoshikazu Hattori, coordinator for production control at the Toyota Motor Manufacturing Plant in Huntsville, weather is no joking matter. His first day in the plant, he was startled to see signs posted telling him what to do if a tornado approached. “We don’t have those in Japan,” he says.

In reality, most international executives see a transfer to their company’s Alabama branch as a chance for a great job challenge or for career advancement.

Ian James is a great example. A native of London, he was already an ex-pat, working for Mercedes-Benz in Stuttgart, where he’d gone from his base with the McLaren Formula 1 team. While in Stuttgart, he helped plan the next generation GL and M class cars and visited Vance several times. “I got to know the plant and the people and it gave me a taste

for life here,” says James. By transferring, he would get to continue work on new models.

Growden, who has worked with Austal for some 20 years, is one of the few Australians working in the Mobile plant. He sought the post for the chance to help with a major start-up for his company.

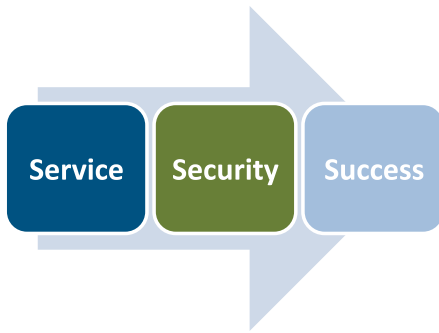
Hattori is on his second U.S. tour for Toyota. He came to their Kentucky plant for three years nearly 10 years ago and enjoyed it. Now he’s been in Alabama for five years. A tour in the US would usually last only three or four, he says, but he’s happy to stay: “Having a job in the US is good.”

Before the international executives arrived in Alabama, they knew little about it beyond tales of the civil rights movement and of a passion for college football. Mostly they expected cotton, not cities the size of Birmingham.

Decisions about life in the US involve not only the executives, but their spouses and children, too.

“We were lucky enough to start a family here,” says Mercedes’ Ian James, who is

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delighted to have “a little Alabamian” in the family. And co-workers, friends and neighbors in Hoover offered plenty of support.

Hattori and his wife also have a child with them, a 17-year-old son who attends high school in Huntsville. “It’s different,” Hattori says. “In Japan, the schools focus on uniformity; in the US, children can pick electives and move from class to class. My son is enjoying it.”

Lutter and his wife also have a 17-year-old high schooler and they’re pleased that their college son will spend a year as an international student at Spring Hill College in Mobile.

The Growdens, with two children ages 2 and 6, are also pleased with the education their six-year-old is receiving in American school.

It may sound trite, but all the executives give a big plus sign for Southern hospitality.

It may sound trite, but all the executives give a big plus sign for Southern hospitality.

When the Hattori’s first came to the States, they worried especially about their English and their driving. But even then, “the neighborhood welcomed us.” And this second trip, to Alabama, is even more comfortable, he says.

Mobile is “a very nice city — a little city where people are very friendly,” Lutter says. “As a German, I’m not used to Southern hospitality, and I appreciate it.”

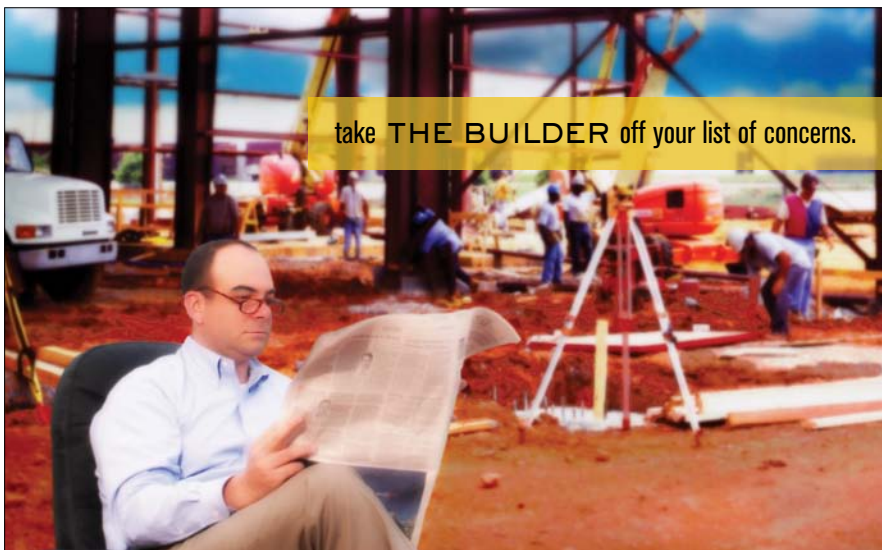
As much as they like Alabama, all the international executives miss things from back home.

James misses the option of public transportation, which is readily available all over Europe.

Hattori misses friends, parents and Japanese food, though he’s pleased that he can finally get sushi, which was completely unavailable when he came to Kentucky 10 years ago.

And though they all enjoy their jobs and their life in the Alabama, they mostly plan to head home one day.

Says Lutter, “If you’ve grown up in one country, you can live in a foreign country and enjoy it there, but at the end, if you’re thinking of retiring, you try to go home.”•



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Marshall Space Flight Center: 50 Years of Space Exploration

Marshall Space Flight Center – the facility that launched Huntsville into the rocket age and that has driven the regional economy ever since – turned 50 years old in 2010.



But MSFC's story goes back more than a decade before 1960, the year of its establishment. Redstone Arsenal itself owes its existence to the Cold War, when the U.S. Army, with a boost from Alabama's powerful Senator John Sparkman, decided in 1949 to revive the old WWII Huntsville munitions arsenal into a research and development center for Army missile development.

Huntsville residents reacted with curiosity at the arrival in the spring of 1950 of more than 100 German rocket scientists and engineers, led by a charismatic, energetic young scientist named Wernher Von Braun. Suspicion of these former enemies soon turned into wholehearted acceptance as the Von Braun team led a growing group of American engineers, scientists, and technicians to startling new developments in rockets and propulsion.

Redstone, Jupiter and Sputnik

By the mid-1950s, the Army's rocket development program at Redstone Arsenal shifted into high gear and put Huntsville on the map. During that decade, Redstone's Army Ordnance Missile Lab, led by the Von Braun team, gave America the Redstone and Jupiter rockets. The former, based on the V-2 technology Von Braun had developed in Germany, proved to be a reliable rocket, with a 250-mile range, sophisticated guidance system and detachable warhead. It was followed by the Jupiter-C, America's first true intercontinental ballistic missile, which eventually achieved a range of more than 3,300 miles.

Von Braun, who had always dreamed of space exploration, realized that Jupiter had the potential to launch satellites – and people – into space. Through his speaking and writing efforts, he contributed to a growing American fascination with the idea of space travel. When the Soviet



Wernher Von Braun and Vice President Hubert Humphrey at Marshall Space Flight Center, May 23, 1967.

Union grabbed world attention in 1957 with the successful launch of Sputnik, Von Braun told Congress America was ready to respond.

On a chilly morning in January 1958, the Huntsville-developed Jupiter lifted off from Florida's Cape Canaveral launch site, putting Explorer 1 into orbit. In Huntsville, Von Braun was carried around the courthouse square on the shoulders of his colleagues like a winning football coach.

The Saturn Program

Later that year, Congress created

the National Aeronautics and Space Administration to promote the scientific exploration of space, taking it out of military control. NASA required massive expenditures, as well as centers for rocket and propulsion R & D, human spacecraft development, and launch operations. In Huntsville, NASA carved out 1,800 acres at the center of Redstone Arsenal and transferred 4,700 employees from the Army missile program to the new Marshall Space Flight Center, named after World War II Chief of Staff George C. Marshall. MSFC was designated the center for rocket booster development, while in Houston, Texas the Johnson Space Center in Houston headed up manned spacecraft development, and launch operations were centered at Florida's Cape Canaveral Launch Center.

At MSFC, work got underway on an array of giant booster rockets named after the fifth planet from the Sun. Saturn I had the lift capacity to launch heavy payloads, including the early manned flights. But it was the massive Saturn V, perhaps the greatest engineering challenge to America in the 20th century, that captured the imagination of the world. With its first stage powered by five liquid fueled rocket engines developing 7.5 million pounds of thrust, Saturn V had one main purpose: to launch human beings to the Moon.

The world thrilled to the successful Saturn/Apollo mission in the summer of

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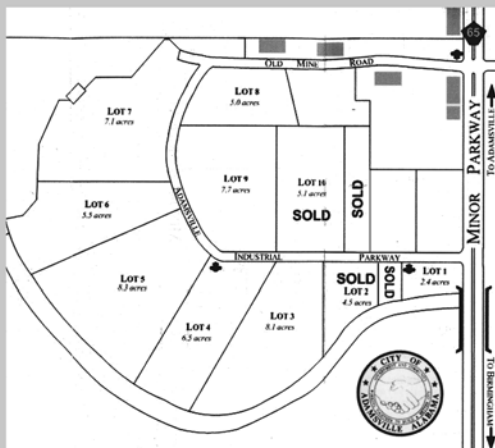
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1969, meeting President Kennedy's 1961 challenge to "put a man on the moon and bring him safely back to Earth, before the end of the decade." But while the world celebrated, in Huntsville Reductions in Force were beginning to occur as both the government and contractors began to scale back the space exploration program.

Space Shuttle: A New Mission

Marshall Space Flight Center took on a new life in the 1970s with the Space Shuttle program. NASA wanted a reusable rocket and spacecraft, and funding for the project was a welcome development to the aerospace firms that populated Huntsville's Cumming Research Park. Von Braun favored shuttle development, calculating that a fully reusable shuttle could get the cost per pound of payload down to \$50. But the idea of a fully reusable rocket never got off the ground as cost considerations forced development of only a partially reusable rocket system.

After more than 200 missions since the first in 1981, the Space Shuttle has proven highly reliable and safe, despite the Challenger and Columbia tragedies in 1986 and 2002. It has added tremendously to our knowledge of space, and the construction of the International Space Station showed that space exploration could be shared by many nations, including Russia.

A Future in Doubt

By 2005, NASA decided to terminate the Shuttle program by the end of the decade. But in 2004, President Bush announced that Marshall Space Flight Center would play a significant role in the agency's effort that to take astronauts back to the moon through a new program dubbed Constellation.

Funding was cut from the budget in 2010, however, in an effort to recover from the two-year-old recession and to refocus NASA on research and technological innovation, allowing spaceflight to become more commercialized. In response to funding cuts, Boeing and other contractors laid off hundreds of employees.

Huntsville and Marshall officials say they are worried not just about layoffs, but also about the long-term effects of dispersing an expert workforce that took decades to assemble. "It's alarming," said Joe Vallely, Huntsville Director of Economic Development. "Once these skilled workers are scattered, it will be difficult to reassemble them."•

With Obama, Missile Biz Still Roars

Lockheed Martin-developed Aegis Weapon System, the world's premier naval surface defense system.



President Obama seriously rattled the NASA community with his budget proposals for the space program. Not as sweeping but substantial are Obama's still-evolving plans for missile defense. In this sector, north Alabama's ever-growing cluster of missile contractors adjusts nimbly — confident of taking a lion's share of the \$9 billion missile defense budget for 2011.

BY NANCY MANN JACKSON

As the home of Redstone Arsenal and the Marshall Space Flight Center, Huntsville has long been an important center for the missile defense industry. But as President Obama's strategy for missile defense continues to evolve, including some important deviations from the Bush administration's strategy, the city of Huntsville — and the many defense contractors located there — are also adapting and reinventing themselves to accommodate the changes.

"Many of the current administration's actions are resulting in a consolidation of work in Huntsville," says John Holly, a retired Army major general who is vice president of missile defense systems at Lockheed Martin Space Systems Co. "More companies are relocating significant elements of their business here to be closer to the customer. The focus on more threat-realistic testing will contribute to

expanding the economic base of many companies in Huntsville due to the unique talent and capabilities resident in North Alabama."

A Changing Strategy

Under the Bush administration, a major component of missile defense was the Ground-based Midcourse Defense (GMD) program. This system includes ground-based interceptor missiles and radar intended to intercept incoming warheads in space. Systems are placed in Alaska and California, and plans were to expand the program into Europe to help provide for both European and U.S. defense for missiles fired from Iran and other countries, says Mike Ward, vice president of government affairs at the Huntsville/Madison County Chamber of Commerce. For the past 10 years, Boeing Strategic Missile and Defense Systems in Huntsville has been the prime contractor of the GMD program.

The GMD's first expansion into Europe was in the works, with a system slated to be placed in Poland, until those plans were scrapped last September. A 60-day review of the U.S. missile defense program was mandated by Congress and ordered by Obama, and the report recommended a change in direction. Based on those recommendations, Obama plans to shift from a focus on GMD to a focus on Aegis Ashore, which Ward describes as a land-based naval destroyer.

Rather than developing one type of missile interceptor, as with GMD, the new plan includes three types of missiles designed to shoot down incoming threats. They include Patriot missiles, which defend a single location; SM-3 interceptors, which can defend a large area; and ground-based interceptors in Alaska and California.

In a changing world, ongoing tweaks and complete overhauls of defense strategy are to be expected. "The missile defense programs will continue to change based on national priorities and the changing threat environment," says Holly.

Industry Awaits Assignments

But new strategies intended to better address changing threats can leave members of the defense industry with

their hands in the air, unsure whether one project will continue or whether they should shift their focus to developing the next big thing. In Huntsville, for instance, Boeing has led the GMD program for the past decade, but other local companies, including Lockheed Martin and Raytheon, make the SM3 interceptors that are vital for Obama's new plan.

While the strategy focused on Aegis Ashore has been announced, no official contracts have been awarded. Many of the same defense contractors who worked on GMDs will carry out the new program, but "It's still to be determined which contractor will lead the effort and at which location the work will be done," Ward says.

In the meantime, missile defense contractors in Huntsville aren't waiting around idly for new contracts to be awarded. In addition to leading the GMD program, Boeing engineers are also developing other portions of the U.S. defense strategy. "We are developing the Arrow missile defense system, a successful co-development program of the United States and Israel," says Greg Hyslop, vice

president and general manager of Boeing Strategic Missile and Defense Systems. "Many of our engineers also work on directed energy programs, which include a wide range of laser-based systems [that] play a large role in the development of future defense systems."

Good News for Huntsville and Alabama

Although a changing missile defense strategy is likely to translate into lost contracts for some companies and new business for others, missile defense remains a boon for the economy in Huntsville and north Alabama. "Funding for missile defense will top \$9 billion in fiscal year 2011, and enjoys strong bipartisan support," Ward says. "An increasing number of countries are gaining missile capabilities, increasing the need to develop missile defense systems. Many of our allies are requesting permission to purchase U.S. missile defense systems, accounting for billions of dollars in foreign military sales for U.S. companies."

As part of the U.S. Department of

Defense's most recent round of military Base Realignment and Closure, the U.S. Missile Defense Agency (MDA) is consolidating operations and moving many of its operations to the Huntsville area. MDA is currently constructing an 847,000-square-foot building on the Redstone Arsenal to house these new jobs, which have an average salary of \$80,000 per year. By September 2011, MDA will reassign more than 2,200 jobs from the Washington, D.C. area to Huntsville's Redstone Arsenal, with an economic impact of more than \$176 million in payroll alone, Ward says.

Following the federal government's lead, major defense contractors are also adding staff and jobs in the Huntsville area. Boeing relocated the headquarters for its Strategic Missile and Defense Systems division from Washington, D.C. to Huntsville in 2009.

Through these job relocations and the new missile defense contracts expected for Aegis Ashore, Huntsville is poised to continue to gain recognition as "the national center of excellence for missile defense," Ward says.♦





James McCullough, dean of Defense Acquisition University South Region campus

School for Military Shoppers

Before the military goes shopping, it goes to school — to Defense Acquisition University. The campus in Huntsville, one of five campuses in the U.S., is undergoing a major expansion to accommodate BRAC growth and policy changes by Secretary of Defense Robert Gates

BY KATHY HAGOOD

PHOTO BY DENNIS KEIM

Defense Acquisition University's South Region campus in Huntsville has grown from serving 4,000 students in 2002, the year it opened, to currently training more than 40,000 students a year.

With the Department of Defense bringing more defense acquisition jobs in-house, that number is expected to swell.

DAU offers classroom, online and onsite training in defense acquisition, technology and logistics for DOD

military, government and contractor employees through courses that range from a few days to 10 months. Typical courses average between three and five weeks.

The Huntsville campus now employs 100 instructors and in February opened its own freestanding, 60,000-square-foot training facility with 12 classrooms in Thornton Research Park.

"It's been rewarding to be able to expand our ability here to serve the defense acquisition workforce," says James McCullough, campus dean.

An agency of the U.S. Department of Defense, Fort Belvoir, Va.-based DAU's

five regional campuses and their satellite training centers educate more than 200,000 defense acquisition employees each year.

The university's mission is to help ensure taxpayer dollars are spent as wisely as possible by keeping acquisition personnel up to date with best practices and new mandates.

"DAU helps ensure a high level of consistency in defense acquisition and ensures proper practices are used throughout the workforce," says Rick Gallman, associate dean of outreach and mission assistance for the Huntsville campus.

A congressional mandate for acquisition personnel training and certification was created through the 1990 Defense Acquisition Workforce Improvement Act. The legislation was a response to public outcry after the U.S. Government Accountability Office alerted the nation

to problems with defense spending in the 1980s.

Defense acquisition workforce members are required to participate in ongoing continuing education. DAU helps support training needs not only through coursework but also with an online knowledge base, an “ask a professor” service and several print publications.

DAU used a system called Rapid Deployment Training to alert military acquisitions staff to changes in policy, posting materials on line and sending faculty to train. Revised policy training materials are quickly posted online and DAU faculty visit facilities to perform onsite training.

DAU faculty members and administrators primarily are former defense acquisition personnel and subject matter experts. About 30 percent are retired military with acquisition expertise, such as retired Maj. Gen. Robert Chedister, director of Major Defense Acquisition Program engagement for the Huntsville campus.

Chedister and other DAU representatives foresee greater demands for

defense acquisition training because of the mandate given by Secretary of Defense Robert Gates in April 2009 to “insource” more support services rather than contracting them out.

“About 20,000 more DOD acquisition jobs will be created, ramping the DOD acquisition workforce up to 160,000 members as we make the transition,” Chedister says.

**DAU considers Huntsville
a natural site for the South
campus because of its proximity
to Redstone Arsenal, the Missile
Defense Agency and Marshall
Space Flight Center.**

DAU considers Huntsville a natural site for the South campus because of its proximity to Redstone Arsenal, the Missile Defense Agency and Marshall Space Flight Center. Satellite training centers are located near Eglin Air Force

Base in Florida and Robins Air Force Base in Georgia.

About half of the students at the Huntsville campus come from the surrounding area. Most of the students who travel are DOD workers coming from national and international locations.

“We’ve had students come from as far as Guam, Kuwait and Afghanistan,” McCollough says.

While the government foots the bill for DOD military and civilians, contractors or their companies must cover travel and lodging if needed. The training itself, whether in the classroom or online, is complimentary for acquisition employees working on DOD contracts.

DAU students who travel to Huntsville to take courses are part of the university’s economic impact to the area.

“Last year it was estimated that we contributed more than \$4 million to the local economy, but our economic impact is considerably greater when you take into consideration that our presence makes this area more attractive for defense acquisition and DOD agencies in general,” McCullough says.♦



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Alabama Stocks Rocket Out of Recession

A recap of 2009-2010 finds Alabama's public companies faring significantly better than the rest of the U.S. market, fueled by commodities and slowly improving housing prices.

Business Alabama Alabama Index 2009-2010 Recap

Source: Trade Trends Inc., (303) 665-5881

Exchange	Ticker Symbol	Company Name	Price 5/28/10	Price 5/29/09	Net Change	Percent Change	52-Week High	52-Week Low	Shares (\$000) Outstanding	Market (\$000) Capitalization
NASD	ADTN	Adtran Inc.	27.43	20.78	6.65	32.00%	29.92	19.15	62,150	1,704,775
NASD	AUBN	Auburn National Bancorp. Inc.	19.67	24.00	-4.33	-18.04%	30.00	17.49	3,640	71,599
NASD	BTFG	BancTrust Financial Group Inc.	4.43	14.00	-9.57	-68.36%	6.47	2.50	17,640	78,145
NASD	BCRX	BioCryst Pharmaceuticals Inc.	7.08	4.17	2.91	69.78%	13.47	3.55	44,040	311,803
NASD	BAMM	Books-A-Million Inc.	7.05	4.02	3.03	75.37%	15.00	5.77	15,860	111,813
NYSE	CLP	Colonial Properties Trust	15.08	7.78	7.30	93.83%	17.27	6.58	70,080	1,056,806
NASD	CPSI	Computer Programs & Systems Inc.	43.01	34.20	8.81	25.76%	50.05	32.78	10,970	471,820
NYSE	EGN	Energen Corp.	44.27	37.22	7.05	18.94%	49.94	35.38	71,880	3,182,128
NASD	GLDC	Golden Enterprises Inc.	3.10	2.39	0.71	29.71%	3.93	2.02	11,750	36,425
NYSE	HLS	HealthSouth Corp.	19.86	11.84	8.02	67.74%	22.22	11.56	93,560	1,858,102
NASD	HIBB	Hibbett Sporting Goods Inc.	25.77	18.00	7.77	43.17%	28.58	16.00	28,750	740,888
NASD	IPCC	Infinity Property & Casualty Corp.	46.80	36.81	9.99	27.14%	48.73	35.76	13,220	618,696
NYSE	ISH	International Shipholding Corp.	23.96	22.14	1.82	8.22%	37.00	21.26	7,440	178,262
NYSE	MPW	Medical Properties Trust Inc.	9.55	6.30	3.25	51.59%	11.42	5.56	111,210	1,062,056
NASD	NSEC	National Security Group Inc.	12.61	7.92	4.69	59.22%	15.12	7.18	2,470	31,147
AMEX	OTT	Otelco Inc.	16.37	12.34	4.03	32.66%	17.35	10.19	13,220	216,411
NYSE	PRA	ProAssurance Corp.	58.86	45.21	13.65	30.19%	62.53	43.32	32,500	1,912,950
NYSE	PL	Protective Life Corp.	21.52	12.36	9.16	74.11%	25.58	10.35	85,600	1,842,112
NYSE	RF	Regions Financial Corp.	7.63	4.19	3.44	82.10%	9.33	3.30	1,190,000	9,079,700
NASD	SUPR	Superior Bancorp	2.86	3.34	-0.48	-14.37%	4.50	1.50	12,560	35,922
NASD	USBI	United Security Bancshares Inc.	14.08	13.91	0.17	1.22%	25.08	12.46	6,020	84,762
NYSE	VMC	Vulcan Materials Corp.	50.48	44.29	6.19	13.98%	62.00	39.14	127,690	6,445,791

Business Alabama's home-grown stocks showed little hesitation in their upward climb this year, starting in March 2009 and continuing through our year-over-year recap from May 2009 through our year ended May 28, 2010. Only three months in our session ended in negative terrain; the others closed in positive territory, with a 21.17 percent increase in July and 18.25 percent increase in August, with 11-plus percent increases in both March and April. The top three dollar gainers in the index this year were insurance companies, the top three losers were financial institutions. The index began the year at 502.11, and closed out May 2010 at 848.95, an astonishing climb of 346.83 points, or 69.07 percent.

Though volatility was a watchword throughout the year, commodities fueled the equities engine, and slowly improving housing prices added power to the increases. The brakes on the upswing included persistent weakness in the labor market and the attendant lack of consumer spending, which traditionally is two-thirds of the U.S. economy. Dubai debt tackled market enthusiasm in November, and European debt concerns have troubled equities all through 2010. National companies, though positive, grew substan-

Business Alabama Alabama Stock Index

Index Value 5/28/10	Index Value 5/29/09	Net Change	Percent Change
\$849.95	\$502.11	346.83	69.07%

Alabama Gainers/Losers

\$ Gainer	ProAssurance Corp.	13.65
\$ Loser	BancTrust Financial Group Inc.	-9.57
% Gainer	Colonial Properties Trust	93.83%
% Loser	BancTrust Financial Group Inc.	-68.36%
	Advancers	19
	Decliners	3

NOTE: STOCK PRICE COMPARISONS ARE FOR THE 12-MONTH PERIOD ENDING MAY 28, 2010. OTHER YEAR-TO-YEAR PERFORMANCE FIGURES REFER TO COMPANIES' MOST RECENT ANNUAL REPORTS — COMPARING FISCAL 2009 AND 2008 FIGURES. SOME STOCKS SLIPPED LATER IN 2010, BUT THEY REMAINED FAR AHEAD OF THE YEAR BEFORE YEAR.

tially less than Alabama companies, with the Comprehensive Index posting a more modest gain of 28.77 percent, and closing at 838.66. "The economy is doing better, growth will gradually get back up toward its potential, and the unemployment rate will continue to come down slowly," said Ray Stone, managing director at Stone & McCarthy Research Associates in Princeton, New Jersey. "We are on the right track," Stone said at the end of April.

While insurance companies led the

growth in stock prices for Alabama companies, of the non-financial companies in the index, Otelco ranked first in percentage revenue growth for fiscal 2009, with a 61.33 percent growth over fiscal 2008. Vulcan Materials was the top percentage revenue loser the same annual reporting periods, shedding 22.08 percent in 2009 from the year previous. Of the financial institutions, Auburn was the top in asset growth in 2009, with a bump of 9.72 percent. BancTrust was the top loser

in assets, down 6.78 for the year.

ProAssurance was the top dollar gainer among Alabama stocks this year, adding 13.65 points, or 30.19 percent to its totals. With the exception of July 2009, when PRA gained 4.57 points, most of the stock's gains came in 2010, after strong first quarter gains. The rest of the year was more volatile, with some losses and smaller gains. For 2009's fourth quarter, ProAssurance earned net income of \$84.6 million, or \$3.58 per share, compared to net income of \$76.3 million, or \$2.26 million the year previous, far surpassing the \$1.29 per share that analysts surveyed by Thomson Reuters were expecting. After that upswing, investment firm Piper Jaffray increased its rating for ProAssurance to "overweight," from "neutral." For the whole of 2009, ProAssurance reported net income of \$222 million, or \$6.76 per basic share, compared to net income of \$177.7 million, or \$5.43 in the year previous. PRA began the session with a share price of 45.21, and closed at 58.86.

Colonial Properties Trust added 7.30 points this year, an increase of 93.83 percent, beginning our session at 7.78 points, and ending at 15.08. Despite a rocky year for real estate investment trusts, Colonial Properties improved its net income in 2009 to \$15.2 million, from a loss of \$50.5 million in the previous year. Revenues edged slightly downward, to \$340.3 million, from \$343.6 million in 2008. For the first quarter of 2010, Colonial Properties Trust reported an improvement in revenue, to \$90.7 million, from \$84.3 million in the first quarter of 2009. Income from operations increased to \$11.7 million, from \$9.6 million in the comparable quarter a year ago, but swung to a loss of \$9.9 million, from net income of \$20.2 million in 2009's first quarter. The company noted an improving outlook, however. "We expect the remainder of 2010 to continue to be challenging despite recent indications of improving economic conditions," CLP noted in its quarterly filing. "As long as job growth continues to lag, we expect continued pressure on revenue. We believe, however, that a sustained increase in employment levels, among other things, will facilitate the successful execution of our 2010 strategic initiatives, which should position us for improvement into 2011 and 2012." Just before our trading year ended, investment firm UBS upped its rating on Colonial Properties Trust to "buy" from "neutral." •

Training Tomorrow's Workforce Today







Making Waves in the Maritime Industry





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www.aidt.edu



www.maritime.aidt.edu



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ST Mobile Aerospace, in Mobile



The maintenance, repair and overhaul segment of the aircraft industry has more than held its own in Alabama through the recession, even after advances are weighed against setbacks. Two of the hot growth spots in the last year: commercial cargo planes in Mobile and military helicopters in Andalusia.

BY KATHY HAGOOD

PHOTOS BY DENNIS KEIM AND STEVE GATES

Alabama's aerospace maintenance, repair and overhaul (MRO) sector got a boost with the announcement that Regent Aerospace, which refurbishes aircraft interiors, is opening next door to ST Mobile Aerospace Engineering, which services the rest of the craft, at Brookley Industrial Complex in Mobile.

With more than 1,200 employees, MAE is Mobile's largest manufacturing company. Having the California-based Regent Aerospace next door can help both firms by creating a business cluster, said MAE's Melissa Low.

"We expect this decision will have a significant impact on the growth of the MRO sector in Mobile and a positive effect on our local economy," says Bill Sisson, executive director of the Mobile Airport Authority. "It's especially welcome considering the economic slowdown the country has experienced."

ST Aerospace has heavy maintenance contracts with United Airlines and US Airways, and Regent helps support those with new seats and other interior refurbishment.

"It's a good synergy to be located right next door. We can provide better customer service," says Tom Abner, Regent quality control manager.

During the first phase of its entrance to the Alabama market, Regent plans to employ 90 employees. The company was hiring workers in April as well as pursuing other customers. Future plans include expanding at Brookley and doubling the Regent workforce within the next two years.

"Definitely it's good news for the sector, which has had its ups and downs in this economy," said Jeff Thompson, executive director of the Alabama Aerospace Industry Association (AAIA).

The MRO sector in general is faring much better than the general aviation sector, which is more vulnerable to economic downturns. However the MRO

sector isn't as strong as space and defense in general, relatively stable thanks to major government facilities such as Fort Rucker, Maxwell Air Force Base, Redstone Arsenal and Marshall Space Flight Center.

As the economy improves Thompson expects the MRO sector to rapidly ramp up its revenues, because Alabama has a good supplier base to facilitate growth.

"There's a lot of pent up interest and demand out there for MRO work. But people are holding off to see what's going to happen with the economy," Thompson says.

AAIA is collecting aerospace industry economic impact statistics and expects to issue a report sometime this summer. The last report, released in 2003, showed \$3.66 billion in direct wages here in Alabama were generated by the industry.

The MRO segment of the aircraft industry accounted for 19 percent of aerospace jobs, and manufacture of parts for MRO, created an additional 6 percent, according to the 2003 AAIA report.

"We thought we'd have the new report out by now, but these companies are fairly tightlipped about their numbers. It's a competitive industry," Thompson says.

Major government and/or commercial contracts can make or break a company's revenues and profitability.



Ronald Aramini, CEO of Alabama Aircraft Industries Inc., in Birmingham

New contracts have boosted the bottom line for the Andalusia operations of Helicopter Services North America, a subsidiary of Toronto, Ontario-based Vector Aerospace.

One of those is a subcontract to paint 25 TH-67 (Bell 206) Fort Rucker helicopters and overhaul two damaged TH-67 helicopters. Another is a \$15-million contract with the Brazilian Air Force to support of its fleet of Bell H-1H helicopters.

The Andalusia operation, which focuses on MRO for Bell and Eurocopter helicopters, doubled the size of its facili-

ties in recent years and hired 25 new fulltime employees last year, for a current total of 94 workers. Additional plant expansion is being considered.

"We're in a growth mode. We increased revenues by 25 percent last year and expect a 30 percent increase this year," says Alan Fletcher, vice presi-

dent of operations for Andalusia.

Fletcher's operation has established a business office in Daleville next to the Fort Rucker Army Airfield to facilitate customer service and is opening an office in Huntsville for Redstone Arsenal.

Alabama Aircraft Industries Inc. in Birmingham, which services large, fixed-wing aircraft for the military, is pursuing several new MRO contracts for U.S. Air Force C-130 transport aircraft and U.S. Navy P-3 patrol aircraft. The company maintains a huge facility, 1.2 million

square feet of covered hangar space, next to the Birmingham International Airport.

"We live and die by our contracts. And it's not easy for us to compete against larger players like Boeing and Lockheed," says Ronald Aramini, president and chief executive officer of the publicly traded company, which has experienced net income losses for the past few years.

The company's employment numbers, now at about 730 workers, dipped several years ago to less than 500 workers. And the company likely will lose 100 to 150 workers this year as most of its current U.S. Air Force KC-135 aerial refueling tanker work is completed.

"But if we win the contracts we'll be back up to our current level or even above," Aramini says, noting that Congressman Spencer Bachus and U.S. Senator Jeff Sessions "are fighting for us."

Alabama Aircraft Industries, formerly Pemco Aviation Group, owned several other MRO operations, including Pemco World Air Services in Dothan, but sold them off in recent years to concentrate on its core business.

"We wanted to focus here on what we do best," Aramini says. •



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Conjuring a New Magic

The state's largest city, its main engine #1, is putting its magic act together again. Center stage: a \$225 million hospital and a major new public space.

By CARY ESTES

Photo by STEVE GATES

Right after the Civil War, Birmingham grew so fast it was dubbed "The Magic City." But for several decades it seemed the only magic left was a disappearing act.

Lately, however, Birmingham has shown signs of revving its economic engine. Sure, there are still elaborate long-range plans floating around, including a current effort called "Blueprint Birmingham" released in September. But for the first time in years, there is a buzz of activity actually taking place on the streets of Birmingham, and not just on the drawing boards.

"We're seeing more project activity now than Birmingham has seen in at least four or five years," says Dalton Smith, president of the newly formed Birmingham Business Alliance. "All of a sudden the real strengths of Birmingham are getting stronger."

From an elaborate urban greenspace to a glistening new children's hospital to expansion and renovation of the airport, there are construction boots on the ground in Birmingham. Smith says \$250 million in new projects that will create approximately 800 jobs have been secured for the Birmingham region just in the past year. Operation New Birmingham recently announced that two dozen downtown developments had been started, completed or planned since January.

"There are indicators of real progress that are very positive and encouraging," Smith says.

The most visible project is the \$22-million Birmingham Railroad Park, located on 21 acres spanning four blocks in the heart of the city. This urban oasis has been highly touted for having the ability to economically kick-start a former industrial area of town that had become vacant and blighted. And indeed, a \$35-million apartment and retail complex called



"We're seeing more project activity now than Birmingham has seen in at least four or five years," says Dalton Smith, president of the Birmingham Business Alliance.

Cityville opened near Railroad Park in August.

"It's one of those things where when you build it, they will come," says Katherine Estes Billmeier, executive director of the Railroad Park Foundation. "We're expecting 2 million visitors to the park a year. That just naturally leads to developers wanting to be able to accommodate those visitors with restaurants, retail, housing, that kind of thing."

The park contains 10 acres of open lawn, walking trails, picnic areas, flower gardens, a lake and multiple entertainment venues, including an amphitheater that can accommodate several thousand people. Long-range plans have the park being extended in stages all the way to Sloss Furnaces National Historic Landmark, 14 blocks away.

The park will provide sort of an

outdoor lobby for the nearby Benjamin Russell Hospital for Children, a \$483-million facility that will replace the current Children's Hospital. The new facility, which is already under construction and is scheduled to open in 2012, will encompass an entire block and be linked to the \$164-million UAB Women & Infants Center that opened in February.

"The new Children's Hospital is going to be a phenomenal facility," Smith says. "People are going to come to that hospital from 500 miles away. It's going to be a showcase. It will drive people to the city of Birmingham."

Visitors to Birmingham who arrive via the airport are greeted by a small, outdated facility that has a 1960s-era façade and limited amenities. That will soon change, with a \$193-million renovation that will include a new boarding

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gate, a refurbished parking deck and the addition of a customs office that officials hope will lead to the introduction of international passenger flights.

Steps also are being taken to improve Birmingham's economy through the fledgling green-building movement. For the second consecutive year, the Green Building Focus Conference & Expo will be held in Birmingham. The city is attempting to use its central location in the Southeast to entice green businesses to establish manufacturing hubs in Birmingham — enabling companies to reduce transportation time and costs.

"After the overwhelming success of the 2009 event here, it was clear that we would be back again this year," says James Smith, president and CEO of Green Building Focus. "Birmingham is quickly becoming synonymous with the green-building movement, and we are pleased to be able to participate in that progress."

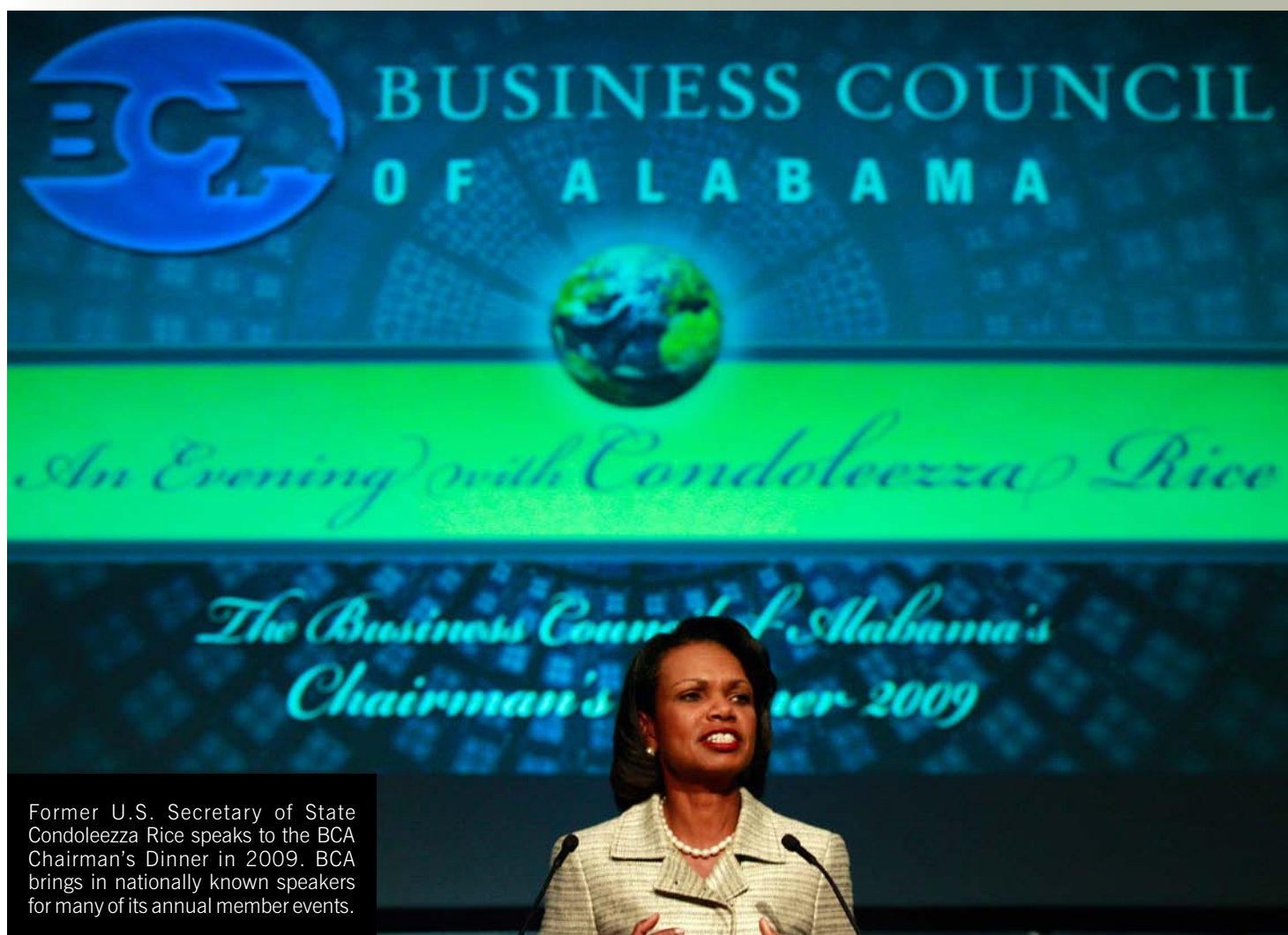
Birmingham also continues to use sports to entice economic development. In the past year, two international tennis events — the Davis Cup and the Federation Cup — were held in Birmingham, and the Barber Motorsports Park in Leeds began a three-year deal to run an annual Indy Car race that attracts global attention. The Indy Car race alone generated an estimated \$33 million of economic activity, according to David Galbaugh, sports marketing director for the Greater Birmingham Convention & Visitors Bureau.

There are a variety of reasons why Birmingham lost its economic footing, including stricter U.S. Environmental Protection Agency standards against ozone pollution, which prevented expansion of the city's old manufacturing base. Officials say those problems no longer exist.

Most manufacturing doesn't operate under a smokestack any longer, says Patrick Murphy, the BBA's senior vice president for economic development. "Industries are getting greener, and they don't have as many emissions."

Perhaps the biggest problem facing Birmingham was the lack of cooperation, both internally among city leaders and externally with their suburban neighbors. Dalton Smith says that also is changing, with newly elected Mayor William Bell leading the way.

"We have a mayor who definitively understands economic development. He gets it. He's very helpful to us," Smith says. "People are working together and communicating and being cooperative."•



Former U.S. Secretary of State Condoleezza Rice speaks to the BCA Chairman's Dinner in 2009. BCA brings in nationally known speakers for many of its annual member events.

Business Council of Alabama

Since 1985, the BCA has been the state's premier advocate for business and industry at the Alabama Legislature and in the halls of the U.S. Congress

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These are just a few of the issues that cut across the landscape of Alabama business and into the heart of every company's ability to compete and grow in this state. That's why Alabama businesses and industries of all shapes and sizes have come to depend on the Business Council

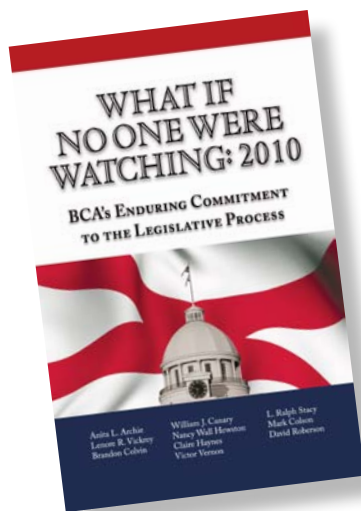


BCA is the exclusive affiliate in Alabama for the National Association of Manufacturers and the U.S. Chamber of Commerce

of Alabama as the state's most powerful and effective advocate for business and industry at the Alabama Legislature and in the U.S. Congress. BCA is proud to be the exclusive affiliate in Alabama of the National Association of Manufacturers and the U.S. Chamber of Commerce.

Established in 1985 with the consolidation of the Alabama Chamber of Commerce and the Associated Industries of Alabama, BCA was created to unite Alabama's business community and to build a single, strong voice dedicated to affecting pro-growth policy and progressive government on behalf of its member companies, who together represent more than 750,000 working Alabamians. In 2003, an historic agreement was signed linking BCA with more than 60,000 members of local chambers of commerce across the state, forming an organization known as The Partnership. Together, the two groups have found common ground on business issues affecting men and women who make up Alabama's business community.

In 2010, BCA published a book, *What If No One Were Watching*, chronicling the recently concluded session of the



BCA published a chronicle of the 2010 Alabama legislative session, documenting key positions taken by BCA on behalf of business and industry.

Alabama Legislature and documenting the key positions taken by BCA on behalf of business. The book was made available to key government officials, legislators, BCA board members and Chambers of

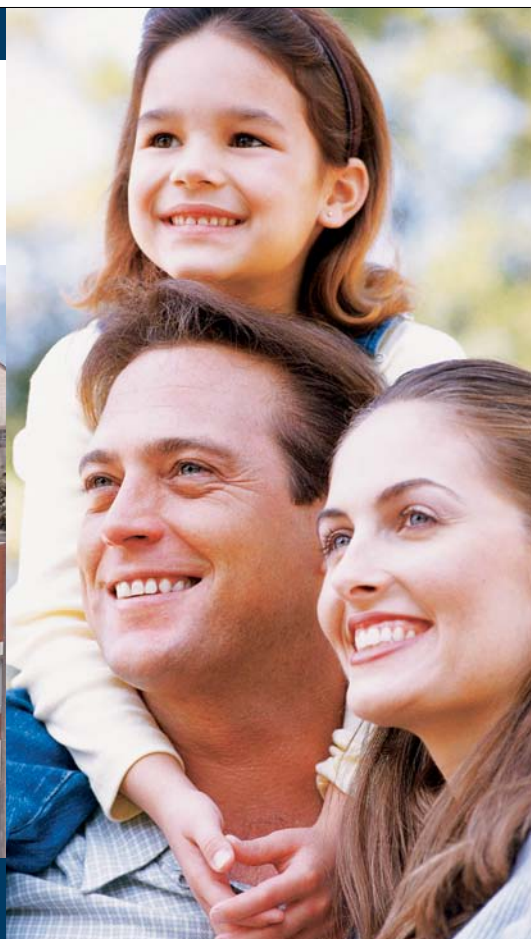
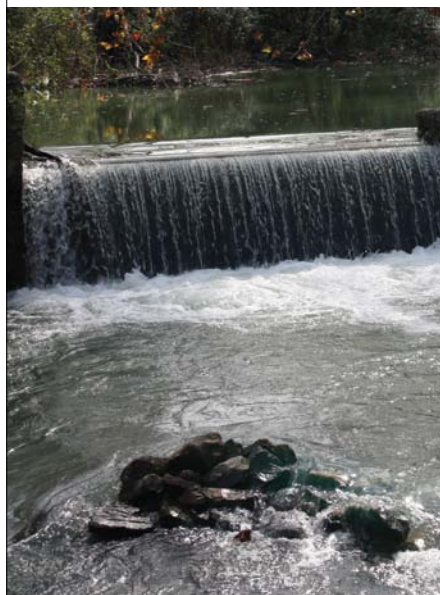
Commerce. Through an arrangement with Books-A-Million it is also available in Books-A-Millions stores and online at www.booksamillion.com. The 173-page volume archives each week's activities at the legislature, including recorded votes on key pieces of legislation, eight pages of color photos, the BCA's state and federal agendas, and several position papers and columns written for the state's daily newspapers on the importance of pre-kindergarten investment, the need for charter schools, and concerns about health care reform, among others.

Through its political action committee, ProgressPAC, BCA also works hard to help elect candidates who understand the issues of concern to Alabama business and industry. However, it is the member companies that develop and drive BCA's actions in the legislative arena and at the ballot box, promoting those agendas through the organization's far-reaching grassroots network and committee structure.

Learn more about BCA and how you can become a part of Alabama's premier business advocacy organization at www.bcatoday.org.

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Designer's rendering of Alabama Robotic Technology Park, in Decatur. Phase one of the complex — the Robotics Maintenance Training Center, a \$17.6-million, 68,385-square-foot facility — opened in the fall of 2010.



Robotic Manufacturing Research and Training

By ERICA JOINER WEST

Automation and robotics have become the lifeblood of manufacturing in today's economy. It only stands to reason then that tomorrow's workers must learn to work in these automated environments.

Located near the Decatur campus of Calhoun Community College, the Alabama Advanced Technology Robotics Research and Development Complex opened its first phase to tours on Sept. 15. Phase one of the complex includes the Robotics Maintenance Training Center, a \$17.6-million, 68,385-square-foot facility designed for both short-term training and classroom experience for students working toward a degree.

"We are expecting that this center will be used by people from all over the world, not just Alabama," says Janet Kincherlow-Martin, assistant to the president for public affairs, community relations and special events at Calhoun Community College. "The Alabama Industrial Development Training office will provide the short-term training, while

our faculty will provide the for-credit training courses for our students."

"Colleges and universities throughout north Alabama have been active in the planning of the complex and the training the center will provide," explains Ed Castile, director of AIDT. "This center

is a new type of approach to this kind of training. This is such a dynamic project. Representatives from Northwest Shoals Community College, Wallace State Community College in Hanceville, Drake State Technical College, the University of Alabama in Huntsville, Alabama A&M University and Athens State University have all been a part of our advisory groups on this project and have been very supportive of the complex," Castile says.

Students attending Calhoun Community College will begin using the facility for classes in the spring semester



Officials, including then-Gov. Bob Riley (third from left), participated in the groundbreaking ceremony for the second phase, held in June 2010.

of 2011. “The governor wants at least 300 people training in the facility per year, but we are going to try to accommodate as many individuals and companies as possible, so the challenge will be scheduling all of the times the facility will be occupied,” Kincherlow-Martin says. “There is a lot of interest out there already, so at some point, AIDT probably will have two shifts to accommodate companies wanting short-term training.”

Castile adds, “In the future, we would like to see high school students coming to the complex for training.”

In June, ground was broken on the second phase of the facility, the Advanced Technology Research and Development Center. The second phase, a testing facility slated to be complete by July 2011 will cost \$8.5 million and cover 35,000 square feet.

“The second phase will be a test facility

that current robotics manufacturers or government agencies can use for testing equipment or researching and developing new equipment,” Kincherlow-Martin says. “There will be a large open area that can be designed specifically to fit the manufacturers’ or researchers’ needs on a contractual basis.”

Following the completion of the second phase, work will begin on the last phase of the complex, the Integration and Entrepreneurial Center, which will allow companies to build and adapt robots for new industries.

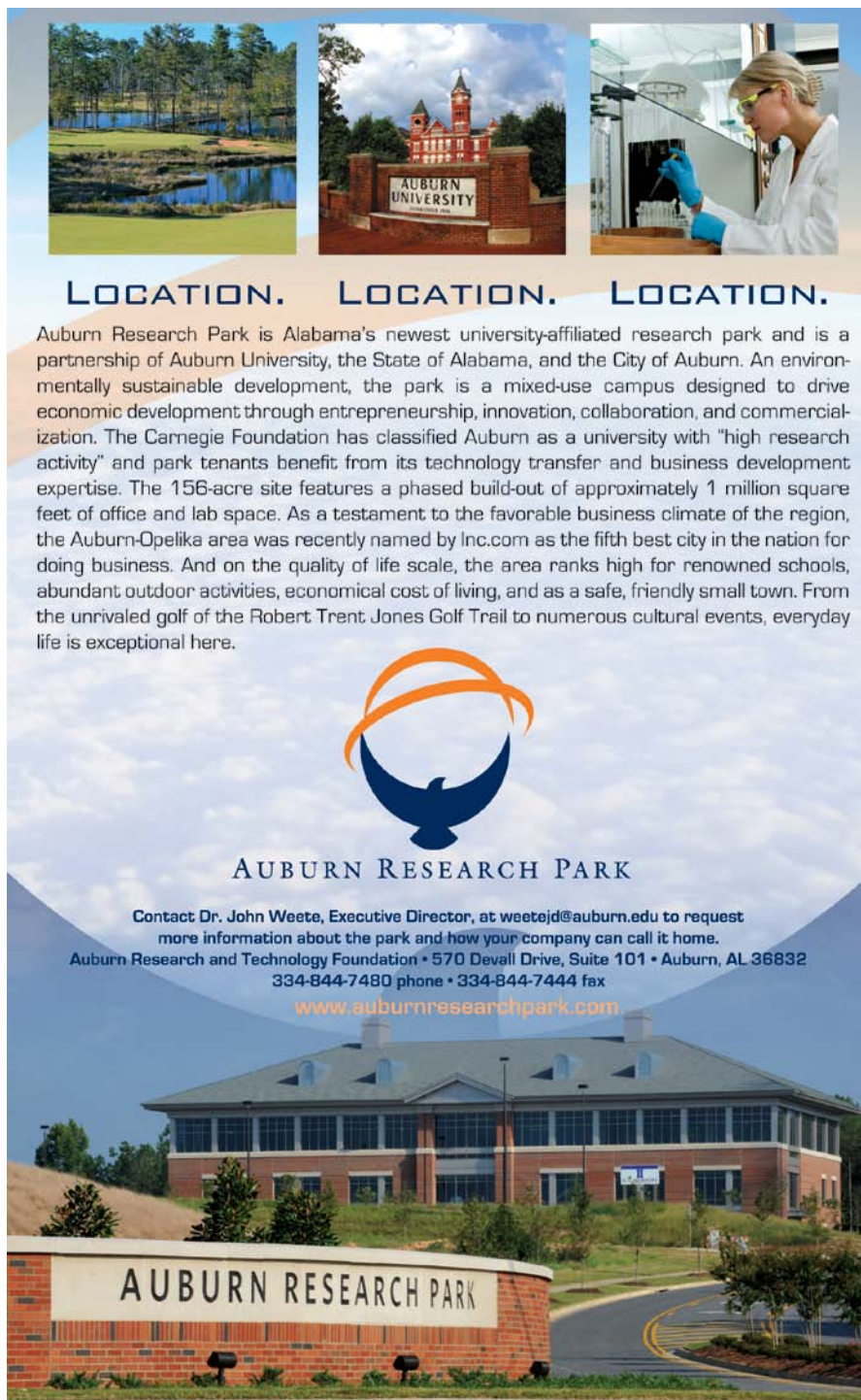
Governor Bob Riley was instrumental in getting construction started on the complex. The state was among several entities that invested heavily in the public-private venture, pledging \$8 million from capital construction bond funds when the project was announced. Others involved include the cities of Decatur and Athens and the county governments of both Morgan

The state was among several entities that invested heavily in the public-private venture, pledging \$8 million from capital construction bond funds when the project was announced.

and Limestone, each of which pledged \$1 million towards the project. Calhoun Community College pledged \$3 million, and robotics manufacturers are donating robots to the facility. So far, vendors who have pledged to provide robots or other services are: Continental, CISCO, Airgas, Motoman, ABB, Rockwell, Fanuc, Kuka, Mitsubishi, Cloos, Kawasaki, OTC, Staubli, Lincoln, Miller, SKS, Fronius, Stuart Irby, Valley Air, Daiken America Inc., Cognex and Omron STI.


“In this facility, the vendors are really instrumental, as they are providing the equipment for the facility,” Castile says. Unlike other educational facilities where equipment can get outdated or be from a specific vendor, he says, this facility will have a variety of machines and those machines will be updated and upgraded by the vendors on a regular basis. “It is really just phenomenal who all is involved in this process, and they are just as excited about it as we are.”

For more information on setting up a tour of the facility, contact Terri Hildreth at 256-306-2560 or tmh@calhoun.edu. •



LOCATION. LOCATION. LOCATION.

Auburn Research Park is Alabama's newest university-affiliated research park and is a partnership of Auburn University, the State of Alabama, and the City of Auburn. An environmentally sustainable development, the park is a mixed-use campus designed to drive economic development through entrepreneurship, innovation, collaboration, and commercialization. The Carnegie Foundation has classified Auburn as a university with "high research activity" and park tenants benefit from its technology transfer and business development expertise. The 156-acre site features a phased build-out of approximately 1 million square feet of office and lab space. As a testament to the favorable business climate of the region, the Auburn-Opelika area was recently named by Inc.com as the fifth best city in the nation for doing business. And on the quality of life scale, the area ranks high for renowned schools, abundant outdoor activities, economical cost of living, and as a safe, friendly small town. From the unrivaled golf of the Robert Trent Jones Golf Trail to numerous cultural events, everyday life is exceptional here.



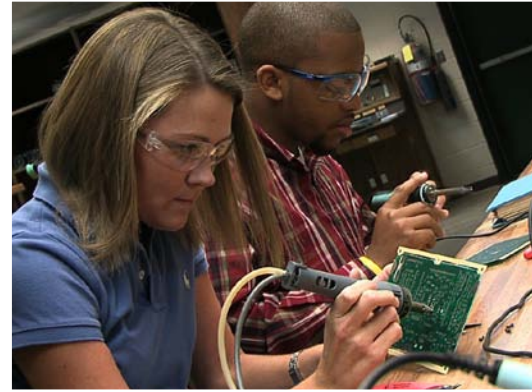
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Governor's Office Of Workforce Development

Answering a call from business and industry, the state has streamlined the workforce development activities occurring within its borders under one agency, whose mission is to ensure that resources and strategies are aligned to meet priority needs.



The Governor's Office of Workforce Development is charged with streamlining Alabama's workforce development activities into a coherent, comprehensive, coordinated workforce development system that is business-driven, customer-oriented, performance-based, innovative, and tied to economic development.

The State Workforce Planning Council manages the system to ensure resources and strategies are aligned to meet priority needs.

The State Workforce Planning Council manages the system to ensure resources and strategies are aligned to meet priority needs. The council membership is made up of state agency heads and representatives of industry and education. Responding to the needs of business and industry in

an efficient and effective manner guarantees the best utilization of state workforce resources.

Ten Regional Workforce Development Councils, comprised of private sector employers, economic developers and elected officials, play a major role in Alabama's workforce system. The councils identify documented workforce needs from a local perspective and serve as co-applicants for projects that are presented to the State Workforce Planning Council for approval.

Workforce Investment Act programs and services supervised by Governor's Office of Workforce Development include the State Dislocated Worker Unit, which helps manage the multiple priorities created by a layoff or a closing; the Incumbent Worker Training Program, which provides customized employee training for existing businesses experiencing difficulties in staying competitive, and On-the-Job Training, which involves training by an employer to a paid partici-



Associate degree and certificate programs in career and technical education are available at all community and technical colleges, as well as a wide range of careers, from industrial electrician to medical technician.

pant engaged in productive work in a job.

Information and access to WIA programs is through the Alabama Career Center System. The centers are conveniently located throughout the state and provide services to both employers and jobseekers. Career center services include job referral, skills assessment, training assistance, career planning, financial assistance for training, vocational rehabilitation services, veterans' services, and unemployment insurance information.

The director of Governor's Office of

Workforce Development also serves as the director of the Workforce Development Division of the Department of Postsecondary Education, which provides direction and supervision of workforce education training programs and services administered by the Alabama Community College System. Associate Degree and Certificate Programs (one- to two-year programs) in career and technical education are available at all community and technical colleges, as well as a wide range of career-technical courses and short-term

training for specific certification.

The Training for Existing Business and Industry program offered through the Alabama Community College System, provides customized training and short-term classes for existing companies for a fee. Services provided by TEBI are generally geared toward front-line supervisors and production workers.

Alabama's Career Readiness Certificate is a credential based on ACT's WorkKeys assessments that gives employers and career seekers a uniform measure of key workplace skills.

Alabama's Career Readiness Certificate is a credential based on ACT's WorkKeys assessments that gives employers and career seekers a uniform measure of key workplace skills. Individuals are assessed in three areas: reading for information, locating information and applied math. Testing sites are located throughout the state, primarily at the two-year colleges.

Alabama's Ready to Work Training Program provides a career pathway for adults with limited education and employment experience. Ready to Work's workplace environment provides trainees the entry level skills required for employment with most businesses and industries in Alabama. The training curriculum is set to standards cited by business and industry employers throughout the state, and the skills cited in the U. S. Department of Labor Secretary's Commission on Achieving Necessary Skills Reports. •

KEY CONTACTS

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Business and Education Services Division

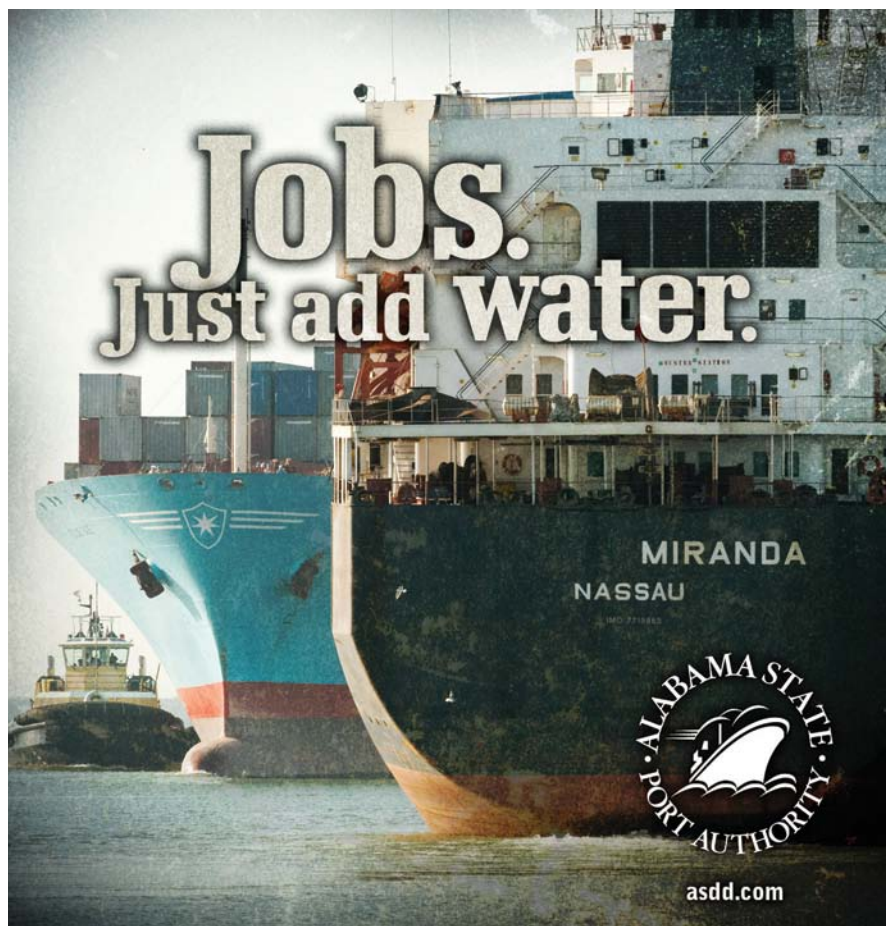
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AGGRESSIVE PURSUIT OF GLOBAL MARKETS

Alabama had international trade long before it had commercial interaction with other states. From the days when Mobile was a French colony, the port has been a doorway to the world.

Now it transports goods from across the state to ports across the world, while Huntsville's international air freight facilities follow the jet-age version of international commerce. Some \$15.8 billion worth of goods were shipped to 192 countries around the world in 2008.

The Alabama Development Office has identified 2,350 Alabama companies that export goods, most of these small and medium sized companies with 500 employees or less. ADO links some 300,000 Alabama jobs to international trade and calculates that the jobs of some 15 percent of all Alabama manufacturing employees depend on international trade.

Top exports were vehicles, at almost \$5 billion, followed by chemicals, forest products, minerals and ores and primary metal manufactures. Meanwhile, the state continues to import more than it exports, with a total import bill at \$24 billion, more than half of it comprised of mineral fuels and oil.

Trading partners vary by product. Most exported Alabama autos go to Germany and Canada, while chemicals go to China, Japan, Mexico, Korea and Canada. Forest products go to Mexico, Canada and Japan, as well as Germany and the Netherlands; minerals go to Brazil, Poland, Germany, Turkey and the United Kingdom, while primary metal manufacturing products go to Canada, Mexico, Japan, Saudi Arabia and Ireland.

In addition to helping Alabama businesses export goods to the world, the state's Office of International Trade, within ADO, works to attract foreign direct investment.

The state opened economic development offices in India and Japan.

In the past decade, international firms have invested more than \$17 billion in projects in Alabama. Among the top spenders:

- German ThyssenKrupp Steel USA leading the pack at nearly \$4 billion



Top Ten Exports and Imports

Rank	Description-Exports	Annual 2008
1.	Vehicles	\$4,966,399,344
2.	Chemicals	2,272,984,483
3.	Forestry Products	1,288,244,245
4.	Minerals and Ores	1,150,519,578
5.	Primary Metal Manufactures	1,011,127,635
6.	Agricultural	914,484,091
7.	Machinery Manufactures	853,097,430
8.	High-tech	638,637,719
9.	Textile & Apparel	386,686,828
10.	Fabricated Metal Products	310,285,482
	All Others	2,053,242,437
	Total Exports	\$15,845,709,272
Rank	Description-Imports	Annual 2008
1.	Mineral Fuels, Oils, Etc.	\$14,240,718,680
2.	Industrial Machinery/Comp.	1,933,938,612
3.	Vehicles, Except Rail/Tram	1,348,619,718
4.	Apparel Articles & Accessories	1,336,694,874
5.	Iron and Steel Products	1,315,580,633
6.	Electric Machinery Etc.	562,239,713
7.	Aircraft & Spacecraft & Parts	515,517,136
8.	Aluminum & Articles Thereof	510,128,958
9.	Pulp of Wood, Waste of Paper	320,668,042
10.	Inorganic Chem., Prec. Metals	257,921,999
	All Others	2,310,091,673
	Total Imports	\$24,652,120,038

- Honda Manufacturing of Alabama topping \$1 billion in initial investments and expansion
- Korean carmaker Hyundai Motor Manufacturing Alabama at well over \$1 billion
- German automaker Mercedes Benz at \$600 million on top of earlier investments
- Netherlands EADS North America Inc. with \$600 million
- Austrian Kronospan U.S. LLC investing some \$500 million
- Japanese carmaker Toyota at \$500 million
- Swedish SSAB at more than \$500 million
- Canadian Kamtek Inc., spending more than \$500 million
- Swedish SCA Tissue at over \$400 million
- Canadian paper manufacturer Bowater Alabama at \$370 million
- Australian Austal USA spending more than \$350 million, on top of earlier investments
- Japanese Toray Carbon Fibers America Inc. with more than \$300 million

Container dock, Alabama Port Authority, in Mobile



- Canadian construction materials firm Lafarge North America Inc., investing \$230 million
- Foreign direct investment also comes from Brazil, China, Denmark,

Finland, France, Greece, Ireland, Israel, Italy, Mexico, Monaco, New Zealand, Norway, Saudi Arabia, Singapore, Spain, Switzerland, Taiwan, Thailand and the United Kingdom. •



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ALABAMA'S GULF GATEWAY

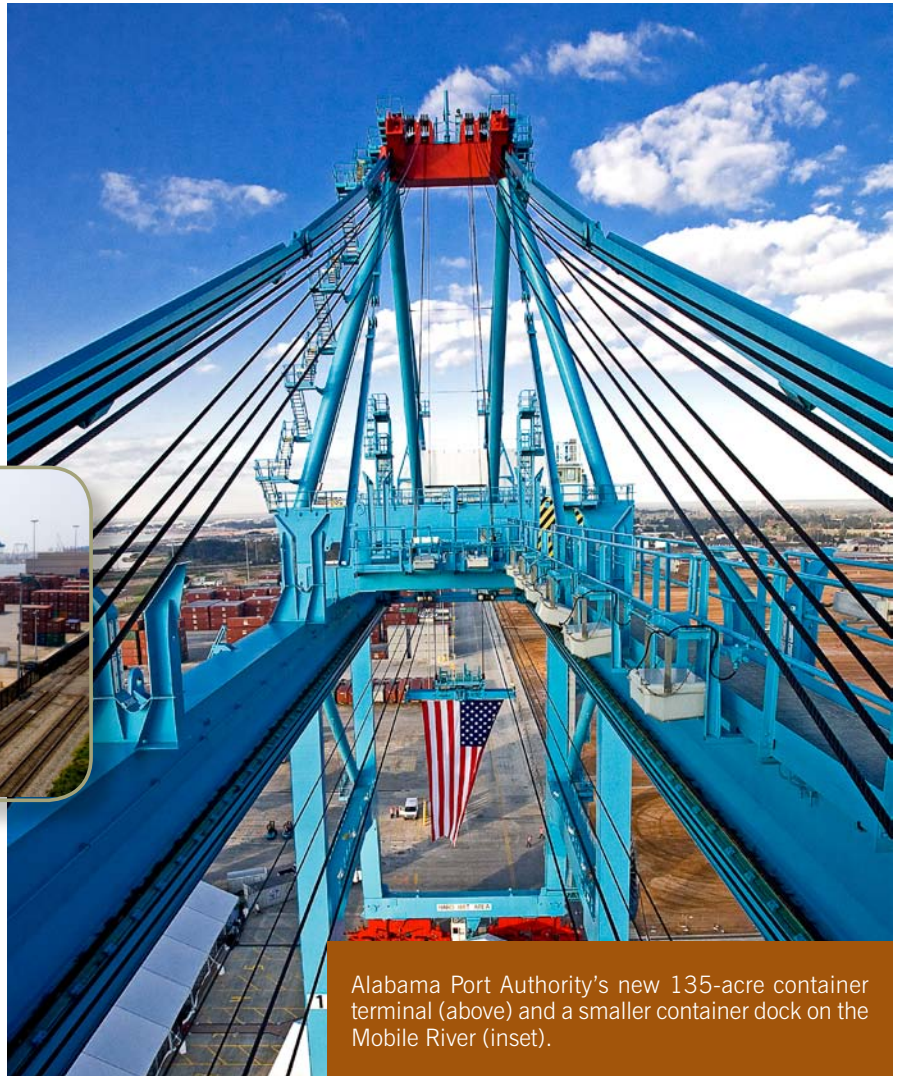
The Port of Mobile is currently the ninth largest U.S. seaport in total trade, handling over 69 million tons annually. The Alabama State Port Authority, headquartered in Mobile, owns and operates the State of Alabama's public deepwater port facilities. The Port Authority directly handled more than 28 million tons of cargo and posted over \$103 million in operating revenues in Fiscal Year 2009. The port links all the state's ocean-going commerce with two interstate systems, five national railroads and more than 15,000 miles of inland waterways stretching as far as the Upper



Mississippi and the Great Lakes. Since 2000, more than \$700 million has been invested in Alabama's public seaport terminals to serve Southeast U.S. manufacturing, mining and agribusiness shippers. New investments include the \$300 million container terminal, a \$110 million expansion of McDuffie Coal Terminal, the \$110 million Pinto Steel Terminal, a \$33 million Turning Basin for post-Panamax sized ships, a \$28 million rail ferry terminal and nearly \$50 million in site development work to support a planned Intermodal Container Transfer Facility.

Water

Extending north from the port are the more than 1,200 miles of navigable waterways in Alabama, among the most in the nation, with lock and dam structures along the Tennessee, Tombigbee, Black Warrior, Coosa- Alabama and Tennessee rivers that provide access to not only Alabama's heartland, but to the Tennessee and Ohio valleys and the Great Lakes and to Alabama's heartland. The Port of Mobile is also accessible to the Gulf Intracoastal Waterway, providing



Alabama Port Authority's new 135-acre container terminal (above) and a smaller container dock on the Mobile River (inset).

shippers coastal connections from Texas to Florida.

Rail, Air and Highway Access

Five Class 1 railroads access the port — Burlington Northern/Santa Fe/ Alabama & Gulf Coast Railroad, CSX Transportation, Canadian National, Norfolk Southern and Kansas City Southern. Port linkage is provided by the Alabama State Port Authority's Terminal Railway. The Port is also served by the CG Railway, which provides shippers railed cargo via ship to Mexico's Vera Cruz region. The port is served by the Brookley Airport and Industrial Complex, located just four miles from the dock's main entrance. Brookley is the region's air cargo terminal, with daily service provided by UPS and FedEx. The author-

ity's terminals have immediate access to Interstates 10 and 65/165.

General Cargo

The Alabama State Port Authority offers 27 general cargo berths with approximately 4 million square feet of handling space adjacent to piers and railroad tracks. More than 2.4 million square feet are under roof. The general cargo facilities also feature a container port operation, heavy lift terminals, a freezer terminal, a cement terminal, a grain terminal and three RO/RO berths, which can accommodate vessels up to 40 foot draft.

Coal

The McDuffie Coal Terminal is the most versatile facility in the nation,

with import/ export handling capability to ship, barge and rail transportation. In fiscal year 2011, the Port Authority is investing nearly \$13 million in a new ship loader, a new rail unloader and additional track to increase export throughput and rail handling efficiencies. These improvements bring McDuffie's annual throughput capacity to 30 million tons.

Mobile Container Terminal

Phase I of the new, 135-acre container terminal opened in October 2008. The facility has 2,000 feet of berth at 45-foot draft, state-of-the-art container cranes and fully automated gates. Phase I terminal operations provide an annual throughput capacity of 350,000 TEUs (twenty-foot equivalent units) and future phases will increase the capacity to 800,000 TEUs. The new terminal's ocean carrier services include Maersk, CMA CGM, ZIM, APL and HMM, which provide shippers access to the Far East, Europe, Latin America, and Mediterranean markets. Mobile Container Terminal represents the first leg in the Authority's 380-acre Choctaw Point intermodal project, which includes an intermodal rail transfer facility and development land for logistics.

Rail Ferry Terminal

In May 2007, the Authority completed construction on the new rail ferry terminal — the first of its kind, with a twin deck design for quicker loading. The ships can haul 120 standard rail cars per voyage without loading and unloading cargo, shaving nearly two weeks off the typical rail services into Mexico. The service provides four-day rail service between Mobile and Coatzacoalcas, Mexico.

Terminal Railway

The Port Authority's Terminal Railway provides service between the five Class I railroads serving Mobile and the port authority's terminals. It handles more than 100,000 revenue-producing rail cars annually and maintains more than 75 miles of track and ten locomotives, providing direct access to all facilities at the docks, including general cargo and container berths, McDuffie Terminals, the Bulk Handling Plant and private industries located as far north as the Port of Chickasaw and as far south as Brookley.

Inland Port Facilities

To take full advantage of Alabama's waterway system which boasts nearly 1,500 navigable inland barge miles,



Giant pylons for wind turbines are off-loaded at the general cargo docks.

Port of Alabama Facts (FY 2009)

Acreage: 4,000

Number of Berths: 41

Channel Depth: 45 Feet on the Lower Harbor; 40 Foot in the Upper River Harbor

4.8 Million Sq. Ft. of Warehousing and Open Yards.

Number of vessel calls: 1,351

Revenue Producing Rail Car Movements: 107,181

Tonnage: 22.4 Million

Containers: 121,803 TEUs

Revenue: \$103.4 million

Imports: Coal, Aluminum, Automotive Components, Iron, Steel, Copper, Lumber, Woodpulp, Plywood, Fence Posts, Veneers, Roll and Cut Paper, Cement, Frozen Foods, Machinery, Aggregates, and Chemicals.

Exports: Coal, Lumber, Plywood, Woodpulp, OSB, Laminate, Flooring, Roll and Cut Paper, Iron, Steel, Frozen Poultry, Machinery, Grain, and Chemicals.

the Alabama State Port Authority owns 11 inland dock facilities, allowing barge transportation for agricultural commodities, heavy industrial products and bulk cargoes. The facilities are located throughout the river systems — at Bridgeport on the Tennessee River; Demopolis, Tuscaloosa/Northport and Cordova on the Warrior River; Claiborne, Selma and Montgomery on the Alabama River; Columbia, Eufaula and Phenix City on the Chattahoochee River; and at Axis on the Mobile River.•

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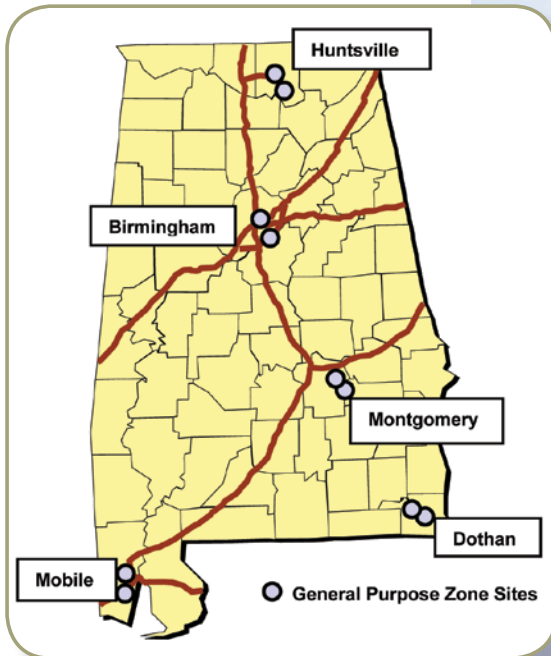
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FOREIGN TRADE ZONES

Like an airport duty-free shop, Foreign Trade Zones offer businesses a place for international trade without the encumbrance of tariffs—a level playing field with international competitors.

Swiss freight forwarder Panalpina unloads cargo at the foreign trade zone at Huntsville International Airport.



The Department of Commerce designates FTZs, mostly near ports and major industrial sites. The designation allows companies within the zones to import foreign goods without paying any duty, store them, mix them with domestic parts and convert them into new products for sales here or abroad.

Each of Alabama's major cities—Mobile, Huntsville, Birmingham, Montgomery and Dothan—has an FTZ. State economic development officials estimate that 12,000 workers are employed in FTZ companies, making \$1 billion worth of products that are later sold overseas. Autos, ships, oil and chemicals are among the key products.

An additional FTZ, specifically for the ThyssenKrupp steel mills in Mobile and Washington counties, won preliminary approval from the Department of Commerce in March.

Quick facts about Alabama's five major FTZs

Mobile. Administered by the City of Mobile, the southernmost FTZ covered



9,848 acres in several locations. DuPont, Aker Solutions and Bender Shipbuilding are all located within the FTZ, while Evonik Degussa, Sony Electronics, Syngenta Crop Protection, Trigeant EP, Ltd., Shell Chemical and Austal Shipbuilding all benefit from smaller business-based subzones.

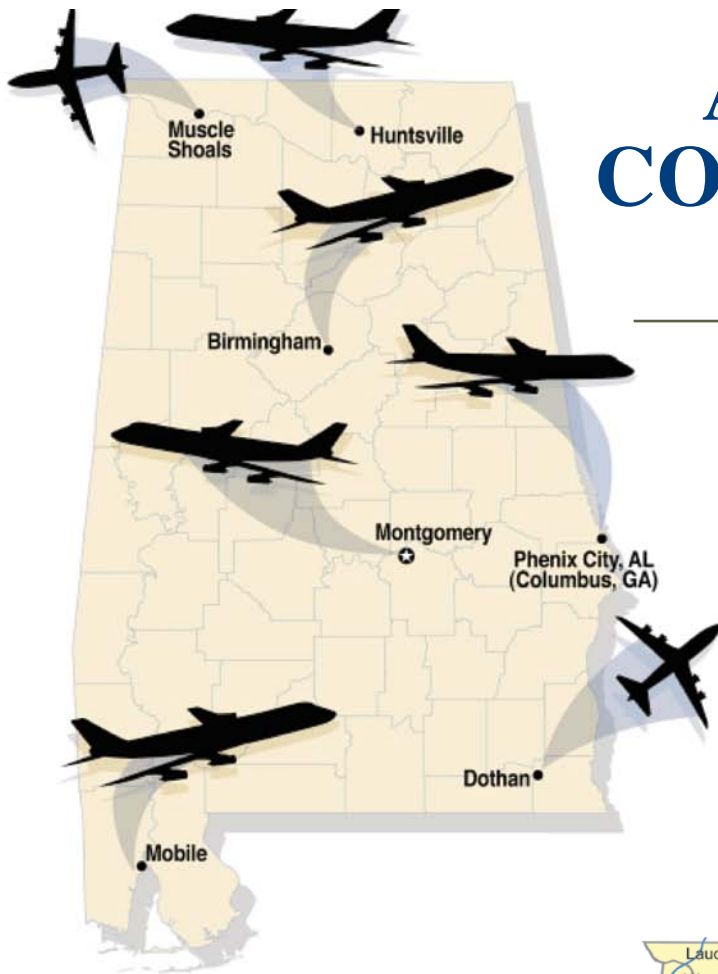
Huntsville. FTZ facilities are clustered on 1,700 acres around the intermodal center, plus another 1,000 acre complex at Mallard Fox Creek Industry Park and the Port of Decatur. DaimlerChrysler has its own subzone in the Huntsville group.

Birmingham's FTZ is scattered over seven sites including parts of AirportNorth/Northeast Industrial Park, Shaw Warehouse facilities, ACIPCO

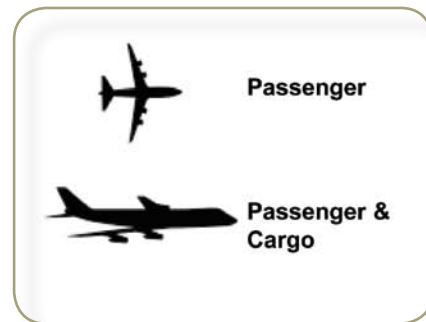
industrial area, Oxmoor Industrial Park, Birmingham International Airport's air cargo facility, and Munger/Valley East. Industrial giant Mercedes-Benz has its own subzone in Vance, as do ZF Industries, JVC America, and NACCO Materials Handling Group, Inc.

Montgomery has more than 5,000 acres in four sites: near the airport and I-65, along the northern and eastern bypass, at the Airport Industrial Commercial Park and at Montgomery County Technology Park. Montgomery also has subzones for Hyundai Motor and Quantegy Inc.

Dothan has six sites in its FTZ, with no industry-specific subzones. Dothan's international commerce is handled by the airport and the port of Panama City, Fla. •



ALABAMA'S COMMERCIAL AIRPORTS



ALABAMA'S MAJOR HIGHWAYS



Source: Center for Business and Economic Research,
The University of Alabama

ALABAMA'S MAJOR RAIL SERVICE



Alabama offers 4,728 miles —
7,608 kilometers of railroad
track serviced by five Class I
railroads

- Federal Interstate Highway System
- Burlington Northern
- CSX Transportation
- Kansas City Southern
- Norfolk Southern
- Canadian National

ALABAMA'S WATERWAY SYSTEM

Remember the old song, Up a Lazy River? Well, it's time to forget it. Alabama's rivers are anything but lazy these days, carrying tons of freight over more than 1,300 miles of instate waterways and connecting to 10 times that many more throughout the nation's heartland.

Barges leaving Alabama docks have access to 23 other states in the Mississippi Valley and Great Lakes regions.

Crisscrossing Alabama on the way to the heart of the state or on north to the Tennessee River or south to the Gulf Intracoastal Waterway,

Barges leaving Alabama docks have access to 23 other states in the Mississippi Valley and Great Lakes regions.

most all the waterways converge at the Alabama State Docks in Mobile – ninth busiest in the nation and number one handler of imported coal.

Barge traffic is inexpensive, carrying roughly 1,500 tons per barge, compared to 100 tons on a rail car and 25 on a truck.

The waterway systems includes six navigable routes:

- **Tennessee-Tombigbee Waterway.** Using a manmade canal, connects the Tennessee River and ports north to the Gulf of Mexico by way to the Tombigbee and Mobile rivers.

- **Alabama-Coosa Waterway.** Follows the Alabama River to connect Montgomery with the Tenn-Tom.

- **Chattahoochee-Apalachicola Waterway.** Follows its namesake river (it's called Chattahoochee in Alabama

and Apalachicola in Florida) from Phenix City to the Gulf Intracoastal Waterway.

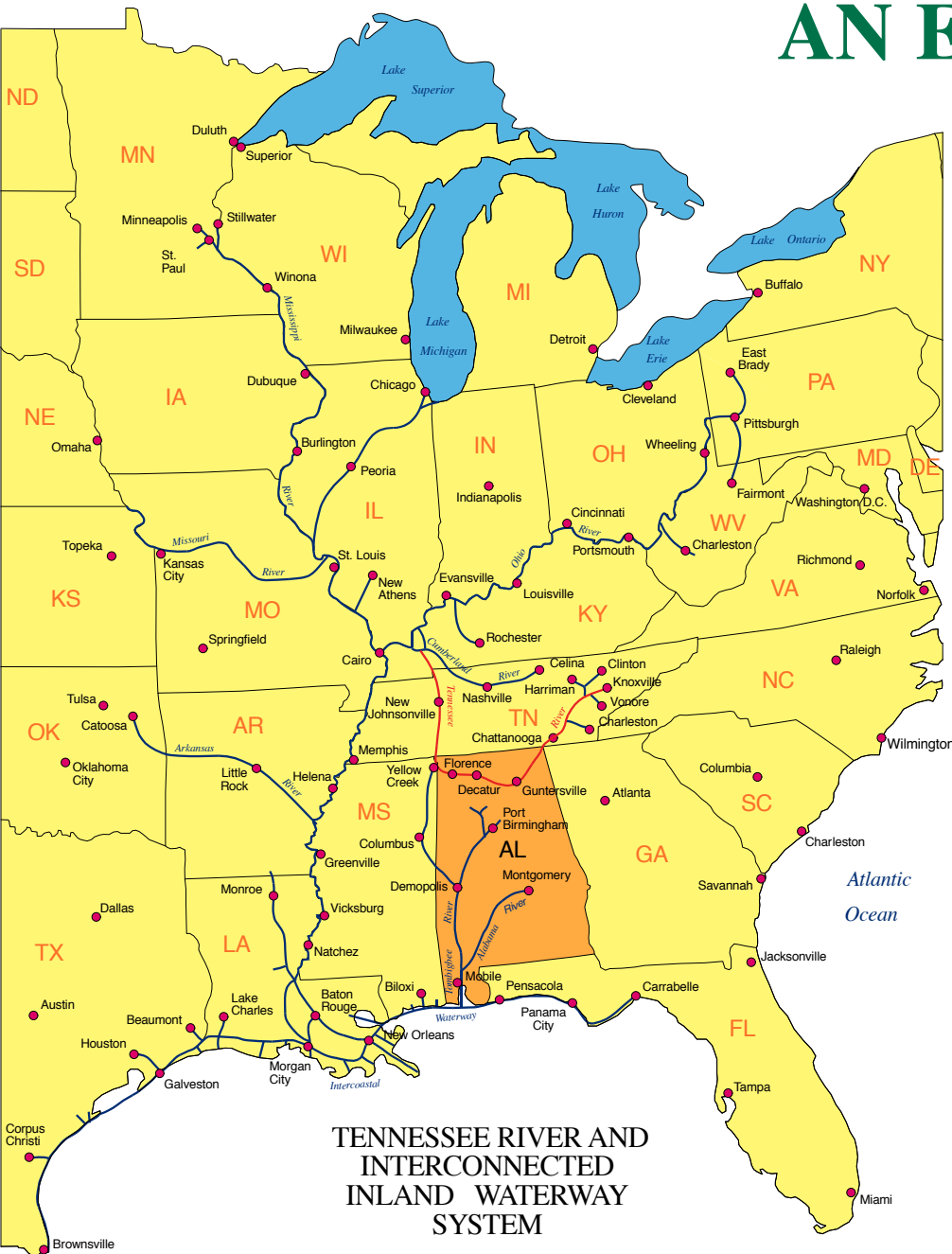
- **Tennessee Waterway.** The Tennessee gives north Alabama cities like Huntsville and Decatur water access to the Ohio River.

- **Warrior-Tombigbee Waterway.** Follows the Black Warrior River to link Birmingham with the Tenn-Tom.

- **Gulf Intracoastal Waterway.** Alabama's sector of the protected waterway which stretches from Texas to Florida. •



TURNING A WATERWAY INTO AN ECONOMIC ENGINE



The Tennessee-Tombigbee Waterway links the Ohio and Tennessee River systems and the Gulf of Mexico, providing a direct route between the eastern Gulf of Mexico and America's heartland, connecting 16,000 miles of navigable inland waterways.



The Tenn-Tom region provides access to approximately two-thirds of all recoverable coal reserves in the nation.

From the Port of Mobile to the confluence of the Mississippi, Ohio, and Tennessee Rivers in Kentucky, the Tennessee-Tombigbee Waterway corridor provides unlimited opportunities for manufacturers, investors and local communities. With waterway access to 17 states, 14 river systems, and over half of the nation's population, the Tenn-Tom plays a vital role in waterborne transportation, in manufacturing and in the lives of its region's citizens. Some 8 million tons of freight a year are



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moved on the waterway.

Because water transportation is the most cost-efficient, safe, and environmentally responsible mode, the Tenn-Tom has attracted numerous types of industries to the region. Since 1996, the region and the nation have realized a direct and induced economic impact of nearly \$43 billion due to the existence and usage of the Waterway.

Industries that have heavy inputs and/or products have found utilizing the Waterway to be highly advantageous. Steel companies such as Dennen Steel, Dynasteel, G&G Steel, SeverStal, and ThyssenKrupp have all located within the corridor since 2005. The Tenn-Tom region also provides access to over 34 million acres of commercial forests and approxi-

Because water transportation is the most cost-efficient, safe, and environmentally responsible mode, the Tenn-Tom has attracted numerous types of industries to the region.

mately two-thirds of all recoverable coal reserves in the nation. Industries that use these natural resources have found the Waterway to be their most cost-efficient mode of transportation.

The presence of the Tenn-Tom Waterway, its enviable business climate, and its people continue to create jobs and provide opportunities for increased industrial growth and greater standards of living.

For more information on manufacturing and investing in the Tenn-Tom region, please contact the Tennessee-Tombigbee Waterway Development Authority. •

KEY CONTACT

Tennessee-Tombigbee Waterway Development Authority

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ALABAMA DEVELOPMENT OFFICE

The state's top recruiting agency continues its aggressive economic development efforts, especially during this time of economic recession.

The primary mission of the Alabama Development Office always has been to create jobs. Even through tough economic times, the agency has succeeded at this mission through a collaborative regional effort for responsible growth.

ADO is moving forward with an aggressive schedule to meet with businesses both inside and outside of the state to determine how we can help them sustain current jobs and be positioned to expand when the economy rebounds. The state has been most successful in recruiting well-known companies to Alabama such as ThyssenKrupp and Hyundai Heavy Metal Industries, as well as automotive and aerospace/aviation facilities located throughout the state.

The agency will continue to meet with companies located in Alabama, as well as the parent companies, to determine how both local and state governments can help them sustain current jobs and be positioned to expand when the economy rebounds. It also is working with communities to help them determine what needs to be done to make their areas more competitive for new job creation, as well as encouraging regional partnerships with neighboring states that make sense for a more effective, powerful and well-funded approach to international economic development.

The agency has been organized in a way to help it meet the aggressive goals and includes the following divisions:

Executive Division/Economic Development Marketing

The Executive Division facilitates teamwork across numerous state agencies and local and regional allies. The division establishes agency policy, oversees all ADO functions, and coordinates and markets special events held across the globe. These events are held in conjunction with local communities and businesses. The agency's assistant director also is part of this division and leads all business information and research-related activities.

Business Development Division

This division identifies prospects to broaden Alabama's industry base. The staff markets Alabama to the world — identifying companies that may have an expansion project in the Southeast over the next three to five years.

The major objectives of the division are to attract industry to Alabama, to encourage and promote foreign manufacturing investment in the state, and to support expansion and retention of existing businesses. The department works closely with economic development allies throughout the state, facilitating a cooperative effort to recruit companies.

Marketing efforts are targeted and incorporate direct contact, pavilion events at selected trade shows and business prospecting trips.

International Trade Division

The International Trade Division helps companies establish working relationships with export and other professionals, building knowledge that results in lucrative international business. The department accomplishes this mission through activities designed to complement the existing trade promotion programs of other state and federal agencies. Activities include trade missions, trade shows and catalog missions. Foreign buyers are encouraged to include Alabama in their U.S.A. itineraries, and the state's exporters and importers receive mailings and special publications, such as the Alabama International Trade Directory. The department co-sponsors and supports a variety of export development activities in partnership with other Alabama organizations.

Business Information Division

The Business Information Division provides technical support and other services in the form of comprehensive data and statistics. The division compiles and produces the online Alabama Industrial Directory, designs custom proposals, targets companies for specific marketing events and conducts surveys of new and



ThyssenKrupp's \$5 billion steel complex under construction in Mobile County

expanding industries. Job announcement numbers are supported by data published in the division's annual report.

Administrative Division

This division provides support in the areas of information technology, telecommunications, payroll/personnel, accounting/budgeting, purchasing and supply/property inventory. The public information officer is housed under this division and keeps the staff and local developers informed of economic development activities, coordinates and updates the agency's website, creates and e-mails various publications, handles media relations, and writes news releases, articles and speeches for publications across the globe.

Taking Shape

Alabama is truly taking shape with a diverse economy that positively impacts the whole state and positions Alabama as one of the leading growth states in the nation. The state is in a position to bring in new companies as economic conditions improve. ADO will continue its drive to bring a better quality of life to the people who live here through better jobs. •

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ALABAMA DEPARTMENT OF ECONOMIC AND COMMUNITY AFFAIRS

Downtown Talladega is included in one of the 27 Alabama Enterprise Zones administered by ADECA.



Economic incentives and grants for community development are among programs administered by ADECA.

The mission of the Alabama Department of Economic and Community Affairs (ADECA) is to “Build Better Alabama Communities” with a broad range of grants, incentives and other programs aimed at community development.

AlabamaSAVES is a \$60 million revolving loan program just launched by ADECA to help industrial and commercial businesses finance energy-saving upgrades. Low-interest-rate loans of \$250,000 to \$4 million are available with loan repayments structured to be less than energy cost savings.

ADECA administers two tax incentive programs:

The Alabama Enterprise Zone Act authorizes state tax incentives to encourage employers to locate or expand within 27 identified zones. Credits are available for state income tax, corporate franchise tax, sales and use tax. The cities of Birmingham, Montgomery, and Prichard are designated as Enterprise Zones along with 25 counties: Barbour, Bullock, Butler, Cherokee, Clarke, Clay, Covington, Dallas, Escambia, Etowah, Jackson, Lawrence, Lowndes, Macon,

Mobile, Monroe, Perry, Pickens, Pike, Randolph, Russell, Sumter, Talladega, Tallapoosa, and Wilcox.

Since 2002, the Renewal Community Program has offered federal tax incentives for hundreds of businesses locating or expanding in certain economically distressed areas of Alabama. The program recently expired but an extension measure is pending in Congress. The incentives were previously available for three areas: the Greene and Sumter Renewal Community, made up of both counties; the Mobile Renewal Community, which includes Prichard and a section of east Mobile; and the Southern Alabama Renewal Community, which includes Wilcox County and parts of Butler, Conecuh, Dallas, Hale, Lowndes, Marengo, Monroe and Perry counties.

ADECA has three grant programs that are primarily aimed at helping Alabama communities with economic development projects:

Community Development Block Grants (CDBG) are perhaps the best known of ADECA’s grant programs. Typical grants support local efforts to attract and prepare for new and expanding industries, rehabilitate neighborhoods, provide water and sewer services or other infrastructure that enhances the quality of life for residents.

Grants from the Appalachian Regional Commission are awarded to encourage

economic development and improve the quality of life of Alabamians who live within the 37 north Alabama counties that are considered part of the Appalachian mountain region.

Delta Regional Authority grants encourage the development of new jobs and help with basic community improvements to enhance the quality of life in a rural region that includes 20 counties in south Alabama.

ADECA’s Workforce Development Division supports the work of the Governor’s Office of Workforce Development and several other state agencies to provide a wide range of job training and employment services.

Other ADECA programs support state and local law enforcement, traffic safety, juvenile justice, victim services, home weatherization, energy conservation and alternative fuels. The department also helps manage the state’s water resources and distributes state and federal surplus property.●

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Terri Adams, Director

ADECA Workforce Development Division

(334) 353-5300
Steve Walkley, Director

Enterprise Zones, Renewal Communities

Delta Regional Authority
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Bea Forniss, Coordinator

Alabama has one of the strongest workforce training programs in the world in support of Alabama's commitment to new and expanding industries.

Alabama Industrial Development Training (AIDT) has long been recognized as among the nation's top workforce training programs by industry observers. And AIDT was the first workforce training program in the world to earn ISO 9001:2000 certification for quality and continuous improvement and recently earned an ISO 9001:2008 certification.

AIDT has assisted new and expanding companies in recruiting, selecting and training more than 433,850 job seekers. AIDT training typically produces a workforce that employers recognize for high performance achievement — a result of both the technical assessment and training AIDT trainees receive and the process by which they are selected.

From automotive to aerospace and logistics and warehousing to biomedical, AIDT researches and identifies the needs of each company served and uses that information to develop a full range of technical pre-employment selection programs uniquely customized to each company.

In a continued effort to meet the needs of industry AIDT recently opened the Alabama Robotic Technology Park in North Alabama and the AIDT Maritime Training Center in South Alabama.

AIDT services include:

- Identification of needed employee skills and knowledge, training criteria and curricula content definition, and required behavior and performance criteria the company expects of employees.
- Recruitment of trainee candidates for potential employment. AIDT interviews and enrolls in training those acceptable by the company.
- Provides program development, instructors, equipment, consumable supplies, and training aids such as manuals, workbooks, videotapes and films. AIDT services are provided at no cost to trainees or employers.
- Job seekers who meet the selection criteria designed by AIDT and the employer are enrolled in job specific, pre-employment training for detailed assessment of attitude, character, work ethic, literacy, teamwork and technical learning ability.

An institution of the Alabama

Two of Alabama's most recent investments in AIDT workforce training: (above) Alabama Robotic Technology Park, in Decatur, and (below) AIDT Maritime Training Center, in Mobile.



ALABAMA INDUSTRIAL DEVELOPMENT TRAINING (AIDT)

Workforce development provided by AIDT is among the strongest incentives for businesses choosing to locate or expand in Alabama.

Community College System, AIDT also provides leadership development, on-the-job training, industrial maintenance assessment, industrial safety assessment and process improvement assessment. Leadership development conducted by AIDT is designed to develop and retain quality leaders, improve retention and create loyal and dedicated employees. Industrial maintenance and safety assessment services help identify candidates best qualified for effective and efficient operations through corrective and preventive maintenance of equipment and processes. Process improvement assessments provide an independent third party review of business processes. •

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ECONOMIC DEVELOPMENT PARTNERSHIP OF ALABAMA

A private, non-profit organization, the EDPA works with companies looking to locate or expand within the state and assists companies and communities within the state improve their competitiveness.



Bill Taylor, President of EDPA

For nearly 20 years, the Economic Development Partnership of Alabama has been a catalyst for economic growth in the state. During that time, the Partnership has been involved in Alabama's greatest economic development successes. A totally private, non-profit organization, EDPA is uniquely positioned to partner with state, local and private entities involved in Alabama's economic development efforts. In 1993, EDPA assisted in the effort to attract Mercedes-Benz. Now, EDPA is led by Mercedes-Benz U.S. International former president Bill Taylor, who brings his industry experience to economic development.

EDPA provides services to companies looking to locate in the state, encourages emerging business development and assists companies who want to improve their competitive edge.

EDPA is supported by more than 65

leading companies from various sectors that are committed to the state's long-term economic growth. The organization's board of directors is comprised of top business leaders in Alabama.

By aligning its resources with the Governor's Office, key state agencies and institutions of higher learning, EDPA works to provide prospective companies a smooth site selection process and tools for a sustainable operation in Alabama.

EDPA actively assists companies searching for a location. Following are just a few of the services it provides to prospective companies:

- Confidential, comprehensive site searches using the organization's state-wide database of industrial properties to identify sites and communities that meet a company's requirements.
- In-depth data and analysis on topics such as business costs and labor information to support a company's site selection decision
- Facilitating meetings with resource providers from the state government, higher education, utilities and others

Equally as important, EDPA works to provide resources and networks for existing industries and communities in Alabama. Following are a few examples:

- **The Alabama Operations Management Institute**, based on the Mercedes-Benz U.S. International production system, provides continuous improvement training to managers

of Alabama companies. EDPA maintains a leadership position with AOMI to oversee its quality.

- **The Alabama Automotive Manufacturers Association** and the **Alabama Aerospace Industry Association** provide networks for continuous improvement and best practices. EDPA helped to found these two organizations in an effort to advance two of Alabama's most substantial target industries.
- EDPA provides a formal program and toolkit for its local economic developers, known as **Foundations for Growth**, to gauge the interests and concerns of their existing industry base.
- EDPA's **Community Partner program** provides communities with customized solutions to meet their economic development-related needs and increase their competitiveness.

To encourage emerging business development, Alabama works closely with institutions of higher learning in the state. For example, EDPA joined with state research universities to create Alabama Launchpad, which hosts an annual state-wide business plan competition to fuel the development of high-growth companies in Alabama. The competition awards \$175,000 in cash prizes to the top three teams annually.

By participating in collaborative efforts in Alabama, EDPA works to foster a cooperative spirit among the diverse organizations involved in the many areas that affect the state's growth.

KEY CONTACTS

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www.advantagealabama.com

ECONOMIC DEVELOPMENT ASSOCIATION OF ALABAMA

An Association of over 500 professionals committed to Alabama's economic development.

Economic development requires teamwork among businesses, communities, organizations and government agencies. Since 1968, the Economic Development Association of Alabama (EDAA) has facilitated that teamwork among groups trying to attract new businesses, providing a forum for discussion of mutual interests and the tools, training and expertise to create successful development programs. The

the Alabama Development Office, Alabama Department of Economic & Community Affairs and the Economic Development Partnership of Alabama are just one way EDAA works to enhance the economic development environment in Alabama.

EDAA also is active in addressing state and federal legislation and regulatory issues impacting economic development in Alabama. With a full time lobbying presence when the Alabama Legislature is in session, EDAA is a leader in developing economic development policy and legislation for its members. Legislative efforts on the state level in recent years have seen EDAA lobby for adequate funding for state recruitment efforts and worker training programs. During the 2009 legislative session, EDAA was actively involved in leading efforts that saw the passage of new legislation on film production incentives and incentives



EDAA Director Ron Scott and assistant Regina Pickron

related to the recruitment of knowledge-based industries. EDAA holds multiple networking opportunities, provides members with a newsletter, publishes a membership directory, conducts two major conferences each year, and holds bi-monthly workshops. In 2008, EDAA partnered with Red Sage Communications to create a new website to better serve its members and recruit potential members. The website has been cited as one of the best in the nation for economic development associations.

Currently, EDAA has over 500 members.

For more information, or to schedule, contact: EDAA (334) 358-7401•

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EDAA membership consists of individuals involved in economic development from many different areas. Within its membership rolls can be found the economic development professional, attorneys, engineers, architects, state agency personnel, utility employees, bankers, contractors, real estate agents, educators and municipal and county officials.

A voluntary member association, EDAA conducts workshops and seminars covering the ideas, principles, practices and ethics of economic and industrial development. Most of the EDAA workshops and seminars are designed to give economic development professionals new tools and skills to address the challenges of remaining one of the top states in economic development. In addition, EDAA works with other organizations in the state to improve the industrial, business, economic and physical environments in Alabama. Strategic alliances with

Rural Initiative

In the summer of 1999, a group of economic development professionals representing Alabama's rural counties met with a group of fellow developers from statewide and regional economic development organizations to address special concerns related to the attraction of new industry and the expansion of existing industry in rural Alabama. Many ideas were discussed and the meeting proved to be a very important step as Alabama's business and government leaders joined with

economic developers to take steps that will lead to solutions.

Among those steps was a request to reestablish a formal economic development training program for elected officials. Community Leadership Training is the answer to that request. In developing the program, course designers have worked closely with the Alabama Commerce Commission, and CLT is one of the economic development initiatives adopted by the commission.

BIRMINGHAM BUSINESS ALLIANCE

The Birmingham Business Alliance launches Blueprint Birmingham

The Birmingham Business Alliance wants to turn potential into reality. To do that the economic development agency is leading a seven-county region that includes Jefferson, Shelby, St. Clair, Walker, Bibb, Chilton and Blount counties in implementing a five-year strategic plan called Blueprint Birmingham.

BBA, as it is known in central Alabama, was created last year through a merger of the Metropolitan Development Board and the Birmingham Regional Chamber of Commerce. The new organization sees itself as a dynamic advocate, unifying voice and constant catalyst for economic development and business prosperity for the Birmingham metro.

The new organization sees itself as a dynamic advocate, unifying voice and constant catalyst for economic development and business prosperity for the Birmingham metro.

In September, more than 1,000 area residents joined the BBA in declaring Birmingham open for business, as they helped launch the Blueprint plan. Blueprint Birmingham is the product of more than nine months of citizen input, qualitative and quantitative data collection, collaboration with strategic working partners and the development of an extensive implementation schedule along with a system of metrics to chart progress in four goal areas:

- Public and Private Leadership
- Workforce Development
- Economic Prosperity
- Community and Regional Stewardship

"While we have a lot of work to do to implement this plan, the launch was an important milestone for our region," said Barry Copeland, interim president of the BBA. "Now the hard work begins."

Blueprint Birmingham's vision is that the Birmingham region will provide abundant economic opportunities, excellence in education and an unparalleled quality of life for its citizens. The plan



Hundreds of area residents joined the Birmingham Business Alliance in declaring Birmingham open for business, at the launch of Blueprint Birmingham on September 23, 2010.

includes 16 objectives supported by more than 40 action items and scores of specific activities. While Blueprint Birmingham is a five-year plan, there are a number of key priorities for the first year, including:

- Establish infrastructure for dialogue and cooperation between public and private leadership
- Broaden minority and ethnic participation on boards and commissions
- Engage young professionals for leadership opportunities
- Develop and advocate a federal and state legislative agenda
- Create a Birmingham Regional Education Partnership to implement innovative programs in under-performing schools
- Form a coalition to legalize charter schools in the 2011 legislative session
- Promote alignment of internship and placement programs with in-demand positions at the region's businesses
- Support the transformation of the UAB Research Foundation into a best-in-

class foundation supporting technology transfer

- Launch a new Business Retention and Expansion program
- Establish Business Leadership Councils in targeted growth industries
- Develop a consensus on local and regional transit capacity and needs
- Develop downtown entertainment district(s)
- Promote efforts to improve regional air quality; achieve EPA attainment status for Jefferson and Shelby Counties
- Establish a Brownfield and Greyfield Redevelopment Authority

Jay Grinney, CEO of HealthSouth Corp., and Rob Burton, President of Hoar Construction, led the 39-member steering committee through the plan's development.

"We are fortunate to have had so many outstanding business leaders serve on our Steering Committee," Copeland said. "Their perspectives and leadership should give the residents of the Birmingham region great confidence that Blueprint Birmingham will serve as a positive turning point in the region's future."

To review the Blueprint Birmingham plan documents, or to volunteer to work on the plan, go to www.blueprintbirmingham.com.

To see elements of the "I'm Open" advertising campaign, go to www.bhamisopen.com.

To learn more about the BBA, go to www.birminghambusinessalliance.com.

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NORTH ALABAMA INTERNATIONAL TRADE ASSOCIATION

NAITA assists North Alabama companies to be competitive on the global stage.

The North Alabama International Trade Association is a regional organization with a global perspective. Created in 1983, NAITA is a business-driven, public-private partnership that promotes economic growth through international trade education, training and networking, with a focus on building a globally competitive community.

The regional resource for international trade development, NAITA works with companies that need information, support, planning assistance and mentoring for their export initiatives.

The regional resource for international trade development, NAITA works with companies that need information, support, planning assistance and mentoring for their export initiatives.

“NAITA and the Madison County Commission have worked together with regional community leaders to identify issues that are common to all communities in our region, like infrastructure, business needs, cultural development, workforce development and education — addressing issues that will enable North Alabama to compete with the rest of the world,” says Anne Burkett, NAITA executive director and director of planning and economic development for the Madison County Commission.

NAITA’s international business strategy is guided by a board of 20-plus members, representing industry, economic development groups and service providers. Firms such as Adtran, PPG, Intergraph, Foreign Language Services, and Bibliotheca are represented on the board, along with agencies such as the Chamber of Commerce of Huntsville/Madison County, the Port of Huntsville,

Huntsville became home to the first freight forwarder service between Europe and North America in September 1990, when the global Swiss company Panalpina launched its DixieJet service between its European hub, Luxembourg, and the Huntsville International Airport. Panalpina in September announced it is adding a trans-Pacific route to complement Panalpina’s existing Dixie Jet trans-Atlantic service.



the Shoals Economic Development Authority, and the North Alabama Industrial Development Association. Service providers on the board include freight forwarders, cargo and logistics services and educational institutions.

“In many cases, NAITA is a local company’s first point of contact when they begin exploring export opportunities,” says Amanda Berkey, senior international trade specialist with the Madison County Commission. “NAITA provides research, information and networking to companies to help them export successfully, and provides assistance in export controls and compliance — which is critical for North Alabama’s aerospace, defense and high-tech companies. We also organize international trade seminars on specific overseas markets, free trade agreements, and the mechanics of exporting and importing, and have hosted several nationally-sponsored and recognized seminars.”

In its 27-year history, NAITA has grown to more than 500 members representing over 100 businesses and other organizations.

NAITA and the Madison County Commission also coordinate with and participate in the Export Alabama Alliance, a network of international trade agencies across the state with the fundamental objective of helping Alabama companies grow their business internationally. •

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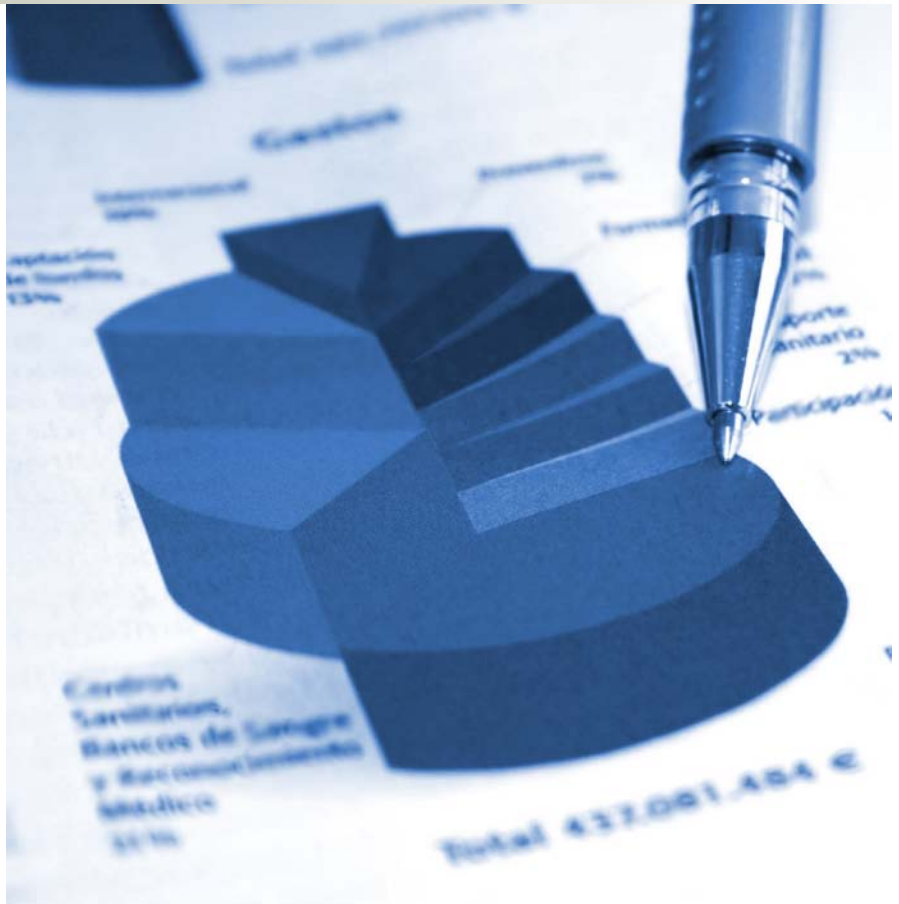
What better way to say invest in new and expanding industry than by offering an array of tax incentives designed to help grow a firm's bottom line?

"Alabama is committed to the promotion and maintenance of a competitive business climate," says the Economic Development Partnership of Alabama. "The state has developed one of the most aggressive tax incentive programs in the nation for new and expanding industry."

Citing Alabama's tax burden as among the lowest in the nation, EDPA adds that "Alabama is one of a small number of states that allow a full deduction of federal taxes paid from state income tax liability." That provision drops an actual 6.5 percent corporate tax rate to an effective rate of 4.5 percent, lower even than any of its Southern neighbors. Moreover, the agency notes, these tax incentives are based on provisions of the state's constitution and code, which translates into "a stable framework for long-term investment," EDPA writes.

Here's a quick look at major tax incentives and credits:

- **Capital Investment Tax Credit** – Qualifying capital costs up to 5 percent annually for new and expanding businesses can be deducted over 20 years.
- **Property Tax Abatement** – New and expanding businesses can avoid property taxes, except those for schools, for up to 10 years.
- **Sales and Use Tax Abatements** – Companies can avoid taxes on costs for construction, pollution control devices, mortgage and recording taxes.
- **Net Operating Loss Carryforward.** Companies may carry forward any operating losses for up to 15 years.
- **Capital Investment Tax Credit.** Up to 5 percent of capital costs may be claimed for 20 years. Projects must meet minimum investment values and be involved in specific types of industries such as manufacturing, wholesaling, inbound call centers, recycling and logging. They must also meet employment levels, which vary by category, and wage standards.
- **Alabama Enterprise Zone Credit** – Credits and exemptions based on numbers of employees for businesses locating in depressed areas of the state.
- **Employer Education Credit.** Companies that provide basic skills



ALABAMA ECONOMIC DEVELOPMENT INCENTIVES

education for employees can receive an income tax credit for up to 20 percent of the cost.

Here's a quick look at financing incentives:

- **Industrial Development Grants** -- Local governments and authorities can receive state grants to help businesses with the cost of site preparation. These grants are available to industrial, warehousing and research firms or headquarters facilities for other types of firms.
- **Industrial Revenue Bonds.** Tax exempt bonds up to \$10 million can be issued covering all or part of the cost of land and building acquisition, construction, furnishings and some soft costs.

- **Alabama Infrastructure Grant Program** can help finance water, sewer and road facilities.
- **Alabama Industrial Access Road and Bridge Program** can finance the roads and bridges needed to connect public roads to industrial projects.
- **Certified Capital Company Program** helps provide financing for projects considered to be too risky for conventional financing options.

More Information: Alabama Department of Revenue, Alabama Development Office and other state agencies.

ALABAMA TECHNOLOGY NETWORK



The Alabama Technology Network's 15 sites are located at 12 community colleges and the state's three research universities — Auburn University, the University of Alabama and the University of Alabama in Huntsville.

Experts in business systems at Alabama's two-year colleges and four-year universities work directly with Alabama's existing industry to increase productivity and competitiveness.

The Alabama Technology Network provides the most innovative technical assistance and training to continually improve Alabama's businesses and industries.

As part of the Alabama Community College System, the network's 15 sites are located at 12 community colleges and the state's three research universities — Auburn University, the University of Alabama and the University of Alabama in Huntsville. The network, through its team of experts, provides assistance in areas such as lean manufacturing training, quality services training, continual improvement methods, environmental health and safety training and industrial maintenance training.

According to a 2009 independent customer survey, ATN helped create 754 jobs and retain 910 jobs, helped increase and retain sales totaling more than \$77 million and saved costs totaling more than \$19 million.

ATN is an affiliate of the National

Institute of Standards and Technology's Manufacturing Extension Partnership, which provides hands-on assistance and training to smaller manufacturers.

In addition to its training services, ATN partners with the Business Council of Alabama in presenting the Alabama Manufacturers of the Year awards. These awards recognize the state's top manufacturers, in three size categories, for their accomplishments. •

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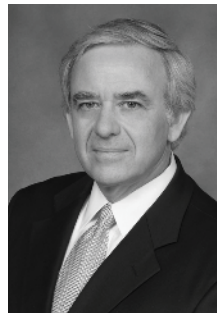
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BIRMINGHAM - HUNTSVILLE - MOBILE - MONTGOMERY



Partnership (n.) - *a cooperative relationship formed to achieve a specific goal*



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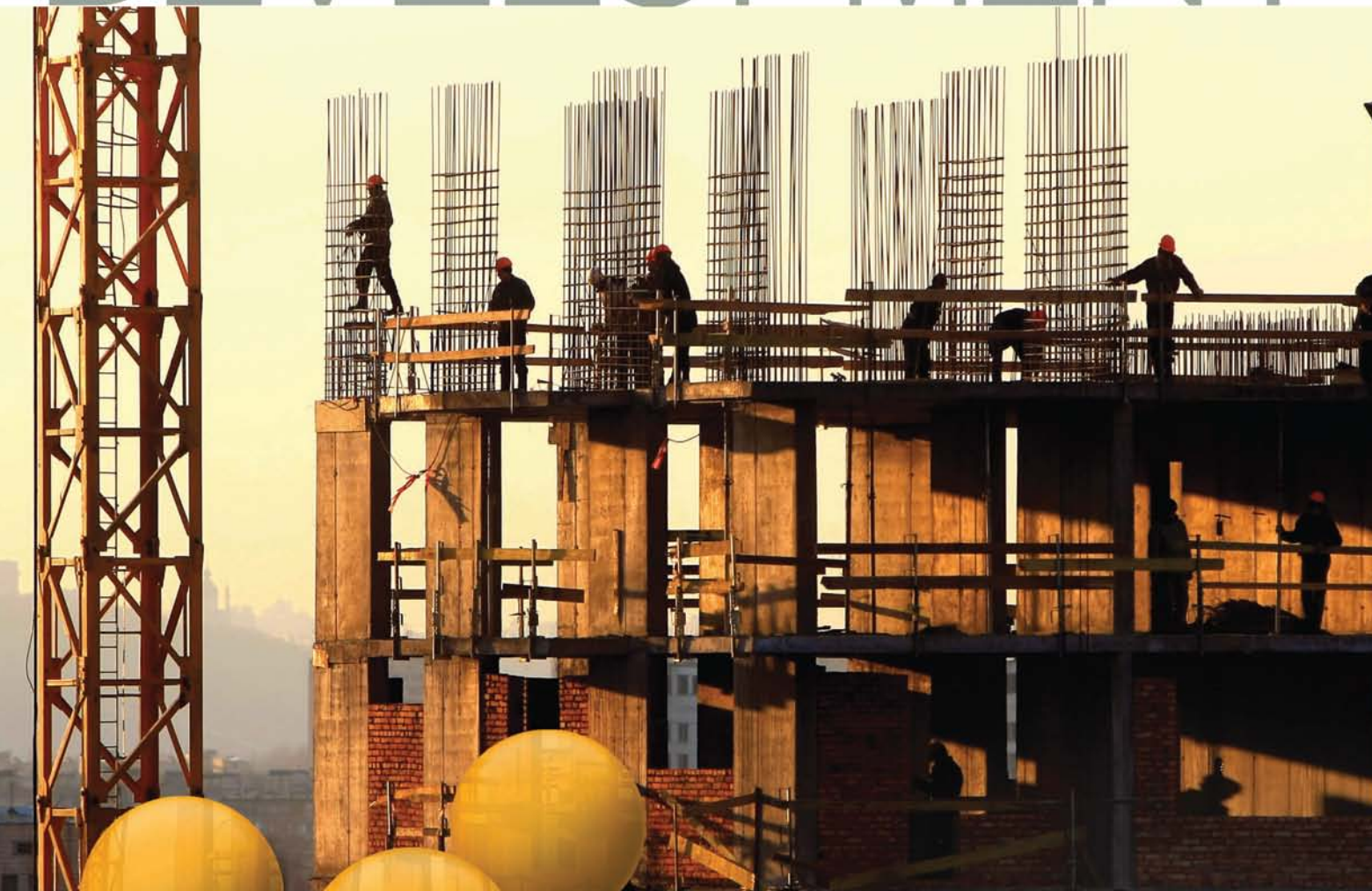
- **Governmental Incentives**
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